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Government, Military and Veterans Affairs Committee
October 09, 2009

[LR82 LR119 LR163]

The Committee on Government, Military and Veterans Affairs met at 1:00 p.m. on Friday, October 9, 2009, at the Grand Island Veterans' Home Auditorium, Grand Island, Nebraska, for the purpose of conducting a public hearing on LR82, LR163, and LR119. Senators present: Bill Avery, Chairperson; Russ Karpisek; Rich Pahls; Scott Price; and Kate Sullivan. Senators absent: Bob Giese; Charlie Janssen; and Pete Pirsch. Other senators present: Senator Gloor. []

SENATOR AVERY: I want to welcome all of you here and thank those of you who are from Grand Island for inviting us out here, especially Senator Gloor. We have been here since about 10:30 this morning. Had a nice tour of the facilities here and a nice lunch. I thank you, Senator Gloor for that lunch. I'm sure you paid for it. (Laughter) []

SENATOR GLOOR: IN many ways. []

SENATOR AVERY: In many ways. My name is Bill Avery. I represent District 28 in Lincoln and I Chair the Government, Military and Veterans Affairs Committee. We are pleased to be here. We have three interim study topics that we're going to discuss. We'll be starting with LR82 introduced by Senator Gloor, which is an interim study to examine issues relating to the Grand Island Veterans' Home. That will be followed by a discussion of LR163, that I introduced, an interim study to examine issues that fall under the jurisdiction of the Nebraska Accountability and Disclosure Commission. The last issue for discussion is LR119, which I also introduced, an interim study to examine the initiative and referendum process on how petitions are circulated. Before we get to that business, I want to let you know this is an open public hearing. Anyone here who wishes to address any of these topics is free to do so. We have several members of the committee with us today. Some could not be here because of other obligations. I'm going to start by introducing Senator Gloor, who you'll be hearing from in just a few minutes on LR82. Senator Gloor is, of course, from Grand Island. Sitting next to him is

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Senator Pahls from Omaha, a member of the committee. To my immediate right is the committee counsel, Christy Abraham, and on my left is Senator Karpisek from Wilber, Nebraska, a member of the committee; and then Senator Scott Price from Bellevue, or Papillion, which is it? Bellevue, and he also is a member of the committee. Senator Kate Sullivan from Cedar Rapids, also a member of the committee, and then the committee clerk, Sherry Shaffer. We will start now with LR82 and ask Senator Gloor to make some opening comments. [LR82]

SENATOR GLOOR: Thank you, Chairman Avery, members of the committee. Welcome to District 34, which is actually Senator Dubas' district. We would walk about 200 yards across Capitol Avenue you would be in District 35 which is my district and if you walked a little farther to the north, you would be in Senator Sullivan's district. Such are the interesting geographies of legislative districts. On the other hand, I have a long history with the Nebraska Veterans' Home which is the reason I choose to introduce this resolution. I do want to take a moment to thank the committee for not only prioritizing this resolution to discuss it, but also to drive out here to attend and to view, tour these facilities. You are busy people and you have lives outside of serving as state senators, careers. For you to take a full day to do this I think is admirable and I'm sure that representatives of the Nebraska Veterans' Home, veterans, and people in this community appreciate it and I hope that they will treat and interact with you with the degree of respect that your commitment to come out here deserves. I am the introducer of LR82. My rationale, or motivation, even though I am a veteran as is Senator Avery and Senator Price, is not that I'm a veteran but that I'm a longtime resident of central Nebraska, other than my years of military service and several years after that. I have lived in central Nebraska for a long time and I know how important the Nebraska Veterans' Home is to veterans and their families and friends in central Nebraska and throughout Nebraska as far as that goes. To have these services available near home makes it much easier for people to be able to stay connected with their homes and their families and friends. It's also important to the community of Grand Island, both from an economic development standpoint, the jobs it creates as well as the prestige this home

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brings to this community. But I also have as my strongest motivation, my three decades of services as a healthcare administrator in this community knowing some of the issues that this Veterans' Home has to deal with. It's a quality facility, provides quality care. The interaction with my former facility, St. Francis Medical Center provided us the opportunity to interact with each other whether we shared educational offerings. A number of the staff here were staff at the hospital and moved out here and vice versus. The work that we did together in infection control, patient transfers back and forth, I think I have, certainly within the state Legislature a pretty intimate knowledge, comparatively, of some of the challenges out here. I also have a great degree of experience when it comes to healthcare facilities and the importance of having upgraded, updated healthcare facilities. Very important when it comes to patient care issues. Extremely important when it comes to patient care issues and you have to stay on top of it all the time. I also know that it takes a period of time, and I say this to a large extent for the audience, when you begin looking at healthcare facilities to decide how best to address those needs. I have no expectation that as a result of this study someone will stick a shovel in the ground six months from now. The tower that you may have seen on 281 as you drove up here that is the newest addition to the Grand Island Skyline, a replacement facility at St. Francis Medical Center. Actually it took five or six years planning before we did stick a shovel in the ground but you have to start somewhere. And there has to be a need cost. I want to make it clear that the state has not ignored these facilities. As you saw on your tour, the facilities for older buildings are in great shape and well maintained. Yet the state continues to pour money into trying to keep antiquated facilities upgraded to provide quality care. At some point in time you have to decide, are we being penny wise and pound foolish. Patient care issues. The staff here provide quality care. They do a remarkable job but they do so in facilities that do not help them but rather hinder them when it comes to providing care. Think of some of the efficiencies that can be realized in staffing if people aren't walking down the yards and yards of hallways that we walked down earlier today to get medications, to get meals, to get supplies, but rather could use their time walking down hallway after hallway to be at the bedside taking care of the residents and the clients that are here.

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So there are some quality issues that are out there. I think there are some life safety issues and some accessibility issues. All of that has to be part and parcel of what we discuss and look at and I think the testimony today will point out. In the final analysis and in summary I would say, I believe that the quality of care, as good as it is in this facility, will begin to decline because of the age of the facilities and I think the cost to maintain these facilities will increase as they also become more and more antiquated. We need to begin taking a look at those needs. We begin now taking a look at the scope of what would be involved in addressing those needs and see where that discussion leads us. And I appreciate your interest and your commitment to beginning to gather some of those facts. I'd be glad to answer any questions but there will be people who provide testimony that goes farther along the lines of getting the specifics of the areas I addressed. Thank you. [LR82]

SENATOR AVERY: Thank you, Senator Gloor. Any questions from the committee? Before...sit down and have a seat. You may need to take the microphone out and hold it closer to your face when you speak. Before we start with Mr. Hilgert's testimony, I want to point out that we have sign-in sheets at the back of the room. If you wish to testify, please fill out that sheet. Print your name clearly for the record and indicate who you're representing. If you're representing yourself, simply say self. And when you come to the table to testify, we need for you to spell your name clearly even if it's a simple name like Avery or Hilgert or Karpisek. Nobody can spell his name. (Laughter) We need that so that we'll have a clear record. We...if you have any copies of your testimony, written copies, we'd appreciate having a copy of that. And I would ask all of you to silence your cell phones. You can either turn them off or put them on vibrate and that way we can proceed undisturbed. We're pleased to have with us, Mr., former Senator John Hilgert, who is director of Veterans Affairs for the state of Nebraska. John, welcome. [LR82]

JOHN HILGERT: (Exhibit 1) Thank you, Mr. Chairman, Good afternoon, Senator Avery and members of the committee. My name is John Hilgert, J-o-h-n H-i-l-g-e-r-t. I am the director of the Veterans' Home Division of the Department of Health and Human

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Services. I also serve as the agency director of the Nebraska Department of Veterans Affairs. I will be giving a history of the Grand Island Veterans' Home. During the early 1800's, Samuel B. Jones, assistant general passenger agent for the Union Pacific Railroad, visited a Soldier's Home in Massachusetts. He was impressed with the idea behind the institution and the useful purpose that it accomplished. Upon returning to Nebraska, he consulted with authorities in charge of the work of the Grand Army of the Republic, an early state veterans service organization and which we have representatives of other veterans service organizations with us here today. A series of circular letters were addressed to the county clerks throughout the state which indicated that 21 veterans of the late Civil War might be dependent upon various counties for maintenance and assistance. This led to the campaign for the installation of a soldiers' home in Nebraska. General John Thayer, Department Commander of the GAR and a Governor, became interested and assisted in carrying out successfully, establishing a veterans home in Nebraska. The first meeting to secure the veterans' home in Grand Island was held in September of 1884 and at the GAR Post here in Grand Island. The Grand Island Board of Trade fought for a legislative bill to establish the soldiers' home in Grand Island and Representative Conger introduced a resolution to the 1887 Legislative Session to establish a veterans' home in Nebraska. Meanwhile, a committee of the Board of Trade, headed by J. W. Liveringhouse and C. L. Howell, recommended that the board secure suitable grounds to offer the Legislature. Following is the excerpt taken from the Senate Journal of the Legislature of the state of Nebraska Twentieth Regular Session held in Lincoln, Nebraska, January 4, 1887: Whereas, there are many old soldiers in Nebraska who, from wounds or disabilities received while in the union army during the rebellion, are in the county poorhouses of this state; therefore, be it resolved that it is the sense of this Senator that a suitable building be erected and grounds provided for the care and comfort for the old soldiers of Nebraska in their declining years; Resolved, that a committee of five be appointed to confer with a committee of the House on indigent soldiers and marines to take such action and will look to the establishment of a State Soldiers' Home. So war veterans met in the House of Representatives in Lincoln on February 14, 1887, and recommended that the site of

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the home be left up to a committee of veterans and legislators. LB247 naming Grand Island as the location of the home was introduced in the 1887 session. LB247 was passed on March, 1887, through the unceasing work of Charles Rief, House Representative and Samuel N. Wolbach, state senator, both from the Grand Island district. The bill stipulated that not less than 640 acres be donated for the site, and that two and one-half acre tract of land with streets, alleys, cottages and outbuildings be built as necessary for those members partially able to care and support themselves. The facility was originally planned to house only veterans of the Union Army who were penniless, living off the county assistance or otherwise unable to provide for themselves. Later it was decided that we were one country after all, and the veterans of the Confederate Army were allowed to enter the home as well. Subsequently, laws were passed allowing veterans serving in the Spanish American War, World War I, World War II, the Korean Conflict, Vietnam, and the Gulf War and now most recently peacetime veterans, Senator Gloor, thank you, were allowed to enter the home. After the passage of LB247 to establish a Soldiers' Home, the Grand Island Board of Trade had a committee working with the citizens of Grand Island to secure funds to purchase land for the site of the home. The committee did well, but could not create the enthusiasm needed to obtain the required \$25,600. A town meeting was held on March 31, 1887 at the Bartenbach Opera House and many of the local citizens doubled their original pledges. Within 36 hours, the citizens contributed the full amount to purchase the land, the land we're here today. The state appropriations for the cost of the building was \$30,000. In April of 1887, 640 acres of land was purchased three miles north of Grand Island and designated as the site of the Soldiers and Sailors Home. I'm going to go through quickly the current list of buildings that we have at the home that are still here. There has been other buildings that have been razed since this original founding in 1887. The 1910, the McKinley Building. That was the one story that you toured earlier, named after, obviously, President William McKinley. It was completed in 1910, one story brick structure, 35-bed capacity for single veterans. It was used as domiciliary care members for a number of years and is now used for human resources and other staff offices. Nineteen twenty-three, the Pershing Building. In 1923, the Pershing

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Building named after General John Pershing was erected at a cost of \$200,000 replacing the hospital and nursing care facility built in 1898, three story brick structure with a 104-bed capacity. A \$40,000 addition was added in the south end in 1928. This building is currently used for housing members in assisted living. Nineteen twenty-seven. Original Burkett Post Office. The original post office for the Soldiers and Sailors Home was established in 1903. On May 28, 1906, the name was changed to Burkett Post Office in honor of U. S. Senator Elmer Burkett of Nebraska. In 1927 the Burkett Post Office was built at the cost of \$8,000. On June 30, 1930, the Burkett Post Office was discontinued, then relocated to its present location. It's currently used for storage. The Administration Building, 1931. The Administration Building consists of three floors, was completed in '31 at the cost of \$200,000 and was on the original site of the original building. Married couples and veterans occupied the second and third floor of the buildings, which had steam heat and electric lighting. The first floor originally was used as the Commandant's apartment and administrative offices. This building is currently used for administrative offices. It is not occupied currently for members. Those were the second and third floors that we discontinued use during the staffing shortage, approximately April of '08. Nineteen thirty-six, cemetery cottage. As you came in from the west, a cemetery cottage was constructed in 1936 at the west end of the Memorial Cemetery at \$2,500, approximate cost. Daniel B. Jenkins, a member of the home, cashed a government bond for \$750 and donated it to the home to help defray the cost of the cottage. Over the years it was used for staff living quarters in order to provide security for cemetery grounds. It currently has no permanent resident or staff living in it. Nineteen fifty-one, a one story 90 foot by 32 foot assembly hall was constructed. The auditorium recently underwent a renovation to install new heat, air, insulation, lighting and a PA system, which I am using, as well as a more functional kitchenette. This is the building that we're currently. Nineteen sixty-five, the Anderson Building. The attractive H-shaped building was dedicated on June 6, 1965, as the Carl A. Anderson Spanish War Memorial Building. This 44-room domiciliary building was made possible by the 1955 Legislative Act which authorized the home to charge members for their care on the ability to pay basis. It was constructed at a cost of \$300,000 from the Membership

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Fund. The furnishings were donated by the Carl Anderson Foundation. The Anderson Building has been converted into special care unit for those members who suffer from Alzheimer's disease and other dementias. Nineteen sixty-five, Occupational Therapy Shop. The World War I Memorial Building was built and dedicated to house to occupational therapy, department's woodworking and ceramic shops where the members engage in purposeful, goal-directed therapeutic craft activities to help maintain and improve their level of functioning. In 1995 the work shop was expanded to provide additional space to accommodate members and their wheelchairs or electric mobility. Nineteen sixty-eight, the World War II Memorial Building. Multimillion dollar hospital made possible by a 1955 Legislative Act and dedicated on December 7, 1968. Replaced the Pershing Hospital which became a domiciliary unit. The building was financed by the Veterans Administration, state of Nebraska tax monies and the Membership Fund. Presently the central commissary and laundry storage area are located in the basement of the World War II Memorial Building. The main floor of this building features the reception lobby, the medical department clinic including the x-ray, lab, dental and pharmacy. Also provided on this floor is the post office, barbershop, beauty shop, Fox Hole canteen, PT rehab restorative services. The second and third floors of this building offer skilled nursing care. Nineteen seventy-three, the Phillips Building. In the fall of '73, the nursing care bed capacity was expanded with the completion of this 100-bed building which was dedicated to the administrator of the Nebraska Veterans Home, Everett P. Phillips by a decision of the Board of Inquiry and Review. The Veterans Administration, Washington, D. C. and the State Building Fund each provided 50 percent of the money for the nursing care facilities located on the second and third floors of this building. The Phillips Building and All Faiths Chapel are connected to the World War II Memorial Building's main floor. This building contains the Liberty Cafe on the first floor, which is the main dining area for members able to dine independently. The second and third floors currently houses skilled nursing care members. Nineteen seventy-three, the All Faiths Chapel. It was felt that the aged and handicapped members of the home needed a proper place in which to worship, but state and federal tax funds could not be used to build a new chapel. Therefore,

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fundraising drive was begun to obtain the necessary funds needed to build the chapel. It was spearheaded by the Volunteer Service Coordinator of the home. The Veterans of Foreign Wars, the American Legion Posts and Auxiliaries in Nebraska announced plans to support the fund drive to raise \$90,000 for an All Faiths Chapel in three years. The fund drive officially started in May of 1972. Ceramic chapel banks were placed in numerous business places in Grand Island for public donations for the chapel and in February of 1973 a television show featuring a film produced by the home entitled "To Care for Him" was aired on KOLN/KGIN television station to promote the chapel fund drive. The fund drive officially closed on July 31, 1973, with enough funds raised to also purchase furnishings for the chapel. The chapel was recently renovated to replace the ceiling and carpeting, as well as install new lighting and a new PA system. The new dietary facility provides food service delivery, storage, preparation and serving functions of Grand Island Veterans Home. The project was designed to correct a number of existing problems with the food service system for the Grand Island facility. The problems included deficiencies cited by the health department, space planning needs, food delivery problems and staffing issues. The design and construction of the new dietary facility corrected these problems. The new dietary facility is located on the first floor of the Phillips Addition in World War II buildings. The new dietary facility renovation included a new dining area, serving line, ware washing area, a tray makeup line, dry good storage area, additional cooler and freezer space. This project was constructed with assistance from the United States Department of Veterans Affairs, providing a 65 percent match in funding and the state contributing 35 percent of the cost. The total cost of this project was approximately \$4,400,000. Substantial completion was in October of 2004. Over 120 years our state has served the veterans of Nebraska in Grand Island, all the while enhancing and modernizing the service that we provide. My compliments to the Grand Island Veterans Home maintenance staff and our partners in the state building division of DAS continue to ensure that we are able to meet the standards of care. I am glad the committee took the opportunity to tour the facility and meet some of our dedicated staff. I appreciate that Nebraska is always meeting the standard, always striving to do better, and always keeping the veteran the center of the focus. We are

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proud of our facility and the care that we are able to provide our members of the Grand Island Veterans Home. Dr. Jennifer King will be testifying after me and share with you how she meets some of the challenges in providing care to our members. After Dr. King concludes her testimony, I will return to the testifiers table and I will ask to accompanied by your leave administrator Alex Willford and we will be able to answer any questions you might have regarding our facility. Should there be any technical questions regarding our efforts as well those of our partners in the Department of Administrative Services, 309 Committee, Steve Hotovy is available to address those issues. He is here today. I did ask...was asked by Senator Avery to briefly touch on what the eligibility requirements are to be in a state veterans home. You had to, number one, need the services that we provide here. You had to have...you had to be a resident of the state for at least two years during your lifetime, not two years immediately preceding admission, but two years during your lifetime. And now you have to be a veterans. Plain and simple. Served under honorable conditions with a general or an honorable discharge. As we...as again, I alluded earlier, we now allow peacetime veterans in the home. We used to only allow veterans with wartime dates. If there's no questions immediately, I'll ask Dr. King to come up and then I'll also ask Alexander Willford to join both of us. [LR82]

SENATOR AVERY: If you don't mind, Mr. Hilgert, I would like to ask you to expend a little bit on the qualifications to be a resident here. Is it necessary that a member...I believe it's what you call them, members, that they be indigent in any way, unable to pay for their own long-term care? [LR82]

JOHN HILGERT: No, it is not. In fact, we do have a sliding scale fee. We have a maintenance charge. The maintenance charge is...I hate to fix an exact percentage on this, but the maintenance charge if you're paying a full maintenance charge, it accounts to approximately 55 percent of the actual cost of care. All members, be they veterans, spouses, are subsidized by the people of the state of Nebraska. And I make no apologies. I think serving veterans is a priority for the state and for our citizens. Those

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who are unable to contribute to their cost of care, don't. So we have members from approximately...and I should have the actual number, Don Schutt can probably tell me right on the dot. We update this every year and hopefully we'll have an increase again this year because we base on the cost of living. It was around \$3,000, is the maximum cost of care, and it's zero is the minimum. So we allow everyone in regardless of their ability to pay. [LR82]

SENATOR AVERY: Thank you. Any questions from the committee? You will be available later for more questions? [LR82]

JOHN HILGERT: Absolutely. After Dr. King finishes her testimony, Alex and I will join her. [LR82]

SENATOR AVERY: All right, thanks. Welcome, Dr. King. [LR82]

DR. JENNIFER KING: (Exhibit 2) Thank you, Senator Avery. My name is Jennifer King, J-e-n-n-i-f-e-r K-i-n-g, and I'm a physician, board certified in internal medicine. I've served as the medical director of the Grand Island Veterans' Home since May of 2006. I feel that the members here receive wonderful and compassionate care, but there are several issues with an older building that the members and staff find challenging in helping them meet their needs. I feel the following issues are present and present challenges in providing medical treatment to our members. The average male in 1943 weighed 137 pounds. The average male in 2008 weighed 190. These buildings were designed for the member of 1943, not the much larger members of today. Although the doorways, bathrooms and elevators meet current standards, many in the facility are too narrow to accommodate the wheelchairs of some of our larger members or to allow for the use of some equipment. In our clinic area there's only one examination room that will accommodate some of the larger wheelchairs. An example of other equipment issues would include use of a Clinitron bed. This is a specialty bed used to provide pressure relief to help heal serious pressure ulcers. In the past year we have had to

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delay applicants' admissions to Grand Island Veterans' Home because our doorways and elevator will not accommodate a Clinitron bed. In World War II and Phillips we have a total of 92 rooms, 48 of which are private, approximately 52 percent, even those have a shared bath. Operationally, due to the lack of private rooms, some issues arise. When we have members with problematic behaviors, we are not always able to offer them a private room and they can be very disturbing to their roommates, which sometimes result in that roommate developing additional behaviors. When we have members with a contagious condition, such as Methicillin Resistant Staphylococcus Aureus, MRSA, it's (inaudible) or Clostridium difficile, they need to be isolated. Members may need to be moved from our isolation rooms to accommodate infection control issues resulting in frequent moves, more moves for the members. For privacy there are accordion doors on closets and bathrooms in the Phillips and World War II buildings. Even with the accordion doors meeting regulatory compliance, they continue to provide a challenge to our members accessing bathrooms. Several modifications have been made, however, skin tears and falls are occasionally experienced. As the medical director, I am very proud to work for the men and women that have served our country. I think the Grand Island Veterans' Home does an outstanding job in providing compassionate care and services to help meet the needs of our members. Grand Island Veterans' Home is in significant compliance with Nebraska skilled and assisted living regulations, and the Department of Veteran Affairs. Upgrades to the Grand Island Veterans' Home continue to be made to meet the needs of an aging generation. Thank you. [LR82]

SENATOR AVERY: Thank you. Now we have "trip" team. (Laughter) We have some questions for you. We'll start with Senator Price. [LR82]

SENATOR PRICE: Thank you, Senator Avery. Thank you all for coming forward and helping us out here today. I know it's a tough subject to tackle. A couple of questions I had and Senator Hilgert maybe you can help me out there a bit, but you talked about some different percentages that the state was obligated to for different phases and different types of construction. I've heard anywhere between 50 percent to 35 percent.

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So the question is, what is today's...to get to, straight to, cut to, we want to put a new building up, how much would the state be obligated to paying, based on the eastern Sarpy County Home, maybe that's a good experience? [LR82]

JOHN HILGERT: Well, based on the most current regulations the 35 percent of the cost of a new facility must be borne by the state, 65 percent is federal. That being said, the federal government will not participate in site acquisition. The federal government will not participate in site development. The federal government will not participate in certain aspects by their regulations of the current...if you were to reproduce something that we have today. For example, the wood shop would not be paid for by the federal government. The very large foxhole canteen that we have would not be paid by the federal government. They paid for a very small canteen. The size of the auditorium, etcetera. But by and large, 35 percent will be paid by the state, 65 percent by federal, except for the land. [LR82]

SENATOR PRICE: How much did the eastern Sarpy County Home cost? [LR82]

JOHN HILGERT: The state's obligation to the eastern Nebraska Veterans' Home that was opened in 2007 was approximately \$28 million. We were given the land by Sarpy County, actually the city of Bellevue, as I was, which was very generous of the city of Bellevue, and we certainly appreciate that. MUD contributed on some of the utility hookups. Sarpy County itself contributed to access the property. The roads that we have and the paving was contributed by the county. So it was a consortium that came together to say that the Thomas Fitzgerald Home obviously needs to be replaced and they said it should be in Sarpy County, and very generously invited us to locate there and which we did. [LR82]

SENATOR PRICE: And finally, if you don't mind, how does the size of that facility compare to the size of this facility? [LR82]

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JOHN HILGERT: The eastern Nebraska Veterans' Home, full capacity is 120 beds. The effective capacity is 114. We keep a number of rooms open for infectious control uses in change and acuity. The current facility that we're occupying is licensed for 377, but the capacity is for 266. As you might remember we toured the basement of Phillips, I said 18 members used to live in what are now library and offices and training facilities. We no longer have any members there below grade. We have kept our license high. We have not modified it in intervening years and we use 266 as a current effective capacity. [LR82]

SENATOR PRICE: Thank you. [LR82]

SENATOR AVERY: Senator Gloor. [LR82]

SENATOR GLOOR: Senator Hilgert, you have included, or we have included in our material waiting lists for the four Nebraska veterans home. Is there anything in that that has a bearing on the needs of the Grand Island Veterans' Home? [LR82]

JOHN HILGERT: In what regard...we certainly have a waiting list at all facilities. There's a waiting time for admission. The way that we admit in the state veterans home system is unlike the private sector. We go through our county veteran service officers. The application must go through the county veteran service officer. Eligibility is determined by the state of Nebraska Department of Veterans Affairs. They staff, what is called the Veterans Home Board, which approves the application. Then the individual...the application then is sent on to the Nebraska veterans homes. The Veterans Home Board meets on a quarterly basis so in an effort to expedite applications, we can immediately...the Nebraska Department of Veterans Affairs immediately, upon completion of the application, immediately sends it to the homes that are indicated as choices for the veteran or member. I believe that you could see a shift when eastern Nebraska Veterans' Home was opened. I think that the number of applications to that area's facility increased dramatically. Right now we are keeping up with things. I'm

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going to ask Alex to comment on that, but what might also be of help was a piece of information I believe your staff asked for, for me to touch on, was the...if there's any demographics out there. And I can submit these to the committee later, but there's a hundred and...estimated 152,000 veterans in the state of Nebraska. And so there's a need for veterans homes across the state for the foreseeable future. When I first became director of the Nebraska Department of Veterans Affairs I saw a study that was done by the USVA that said there was 36,000 veterans in Nebraska in the year 2000. I became director in 2001. Well, we had about 168,000. So I looked on it and it was dated 1960. So, you know, there's only two groups of folks, I think, that believe we're not going to need to serve veterans in the future, people of faith and our clergy, and the USVA. Everyone else knows that the challenge to defend our country and our liberty and our freedoms is going to be perpetual. And we're going to need to be serving veterans for an awful long time. Alex, did you want to comment any on the waiting list? [LR82]

ALEX WILLFORD: Please. My name is Alex Willford, A-l-e-x W-i-l-l-f-o-r-d, and I am the administrator of the Grand Island Veterans' Home. Senator Gloor, I also want to thank you for your very kind opening comments. That was very nice of you and we appreciate those. The waiting list process for our facility is really based upon the members' applications being received to our staff. We process those, we screen the individual members, we assess our ability to provide services for them, what services are available within our organization, whether that be assisted living, skilled nursing, the Alzheimer Care Unit and/or if they're clinically complex with the IV components. And with that, then we also have the availability of beds. Dr. King indicated that we have shared bathrooms. Some of those inhibit our ability to have male and female being next to each other and so we have to wait for openings. We have other members who may be in other facilities and they have waiting lists there or they have contracts with those facilities so it may take them a number of days before those facilities will release them out of their 30-day contract, and/or availability of family members. And so you see a very small waiting list here. We do our very best to process that as quickly as possible and efficiently for those members waiting to get into our facility here at Grand Island.

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[LR82]

JOHN HILGERT: And I would add one more thing. There seems to be an impression among some folks that it takes an awful long time to get into the veterans home. And, you know, it's easier than you think. It's a lot of work that a lot of people have to do but for the applicant it's not as difficult. And I would encourage those who are interested to make application. Unfortunately, and I certainly have experienced this in my own life, in my mother's situation is that I never thought about long-term care until, frankly, the actual day I needed it for my family member. So I would encourage veterans throughout the state to consider those choices that our veterans homes offer. It is difficult for us to respond to an emergent need, an emergent placement because of the process that we have. It takes dates to process an application and that's when everything is lined up. And you really can't respond an emergent need in that way. So I would do some leg work if I was a veteran, and that might be in the future and get at least part of that information done and part of that application processed. [LR82]

SENATOR AVERY: I'll ask Dr. King a question. You have various levels of care here don't you? [LR82]

DR. JENNIFER KING: Correct. [LR82]

SENATOR AVERY: You do acute care? [LR82]

DR. JENNIFER KING: Correct. [LR82]

SENATOR AVERY: And end of life care, as well? [LR82]

DR. JENNIFER KING: Yes. [LR82]

SENATOR AVERY: And do you currently have adequate facilities and equipment and

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budgets to provide that care? [LR82]

DR. JENNIFER KING: Well, yes and no. I think it's very challenging. I think we are extremely resourceful in utilizing what we have. We're...we beg, borrow and steal to get what we need. If we have a member that has a need, you know, we may borrow from other areas of the facility. We may triage, you know, who has what need. I think the members here are unusually ill. They're extremely complex. Currently, about 20 of our members are on hospice. You know, if you look at approximately 200, almost 10 percent of our members are on hospice. We certainly have, I would say, equal that number or more that are end of life and either don't qualify for hospice yet or have chosen not to utilize hospice yet. My greatest concern when I came here three years ago was that I would be bored. That is not a problem. (Laughter) [LR82]

SENATOR AVERY: Thank you. Senator Sullivan. [LR82]

SENATOR SULLIVAN: Thank you, Senator Avery. I think I will just throw out this question and then any of the three of you can chose to address it. A couple of things actually. One is, what is the tipping point. You know, Senator Gloor said you reach a point with an aging facility that you're just basically throwing good money after bad. So are we, or when do you identify the tipping point where you've really got a problem with the facility in terms of keeping it going adequately? And secondly, what sort of partnership do we have with the federal government when it comes to either renovating or new construction on this facility? [LR82]

JOHN HILGERT: Well, the second one is certainly easier to answer than the first. Our relationship is a good one. We have in Nebraska experienced as cited by the eastern Nebraska Veterans' Home construction which was occupied by veterans in 2007. We have a very good relationship with our federal partners, with the State Veterans' Home Grant Program. There's many firms in the state that have experienced drawing down these funds, via the dietary renovation here at Grand Island, the new home in eastern

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Nebraska, multipurpose room in Scottsbluff, or the new facility in Norfolk. So that's solid. Our expertise is solid, our familiarity is excellent. I have no concerns regarding our federal partners. The tipping point is an interesting question. I'm sitting before you today in, from a veterans home whose cornerstone was laid in 1887 by a former Union General, Governor Thayer. At what point did they decide the tipping point was? In my testimony I have shared with you that every ten or fifteen years or twenty years or so, significant additions, renovations, replacements have been done at this facility. On the original built with General Thayer and the Grand Island Republic laid that cornerstone is no longer even here. So that has been answered by different generations in different ways. I can tell you this that we are inspected on a yearly basis by the United States Department of Veterans Affairs, we are inspected by the state of Nebraska, and we meet those surveys. I can tell you that our partners in the Department of the Administrative Services, again Steve Hotovy is here today, have been more than willing to commit the funds necessary for modifications and replacements to make sure that the health, safety, and the needs of our veterans are maintained. That being said, the actual tipping point of an older facility is basically a policy one. I would observe, though, that it would not...we have to care for our veterans every day, 24/7. And whether we are renovating the HVAC system that Steve Hotovy can speak to, or any of the renovations, we have to maintain a certain standard of care while we do it. So we're always using militarism, we're always combat effective, we're always ready. So it's certainly probably not a question that at least I, as division director, could answer. I think that that's probably some sort of architectural or some such, and basically, the availability of funds, what's the cost, the present value, the cost of funds, what does the state's financial picture look like. So we're here to keep cares high. We're here to pass our surveys, we're here to provide a good product, and we've been here since 1887. So Alex, would you, or Dr. King both like to comment on that? [LR82]

ALEX WILLFORD: I would like that opportunity. The areas that we look at when we look at admissions we have a screening process and we take into account both physical, mental, and current state of that member's diagnosis, whether that be with Alzheimers

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or whatever it may be, congestive heart failure. And I know Dr. King can get into that much deeper than I. But what we look at when you talk about a tipping point is I can talk about the Alzheimers Care Unit in the Anderson. By creating and looking at what is best for those members and how we best utilize our services, our building and our current structure. A lot of those things can be adapted. As John indicated, we've done many upgrades, whether that be for licensure requirements, code changes that may be out there, whatever the components are, we stay current with those and we also stay in compliance with those regulations. Regulations continually change. Regulations for assisted living were modified here just a couple of years ago and we've had to make modifications to those programs and stay current with those. And we have done our due diligence, whether that be a policy change, as simple as that, or whether it be a physical plant modification. We always have those things that are out there. And when you look at a person's ability to progress as they age, those things always have to be taken into consideration also. We have a wonderful rehab department. Members come here. We allow them to rehab, they get better and they're actually able to go to different level of service. So they're not always locked into a specific level of service when they come here. Hopefully, we do better...well with them and they are able to even return to home and some have. Others remain here. And that's where the hospice component comes into place. And we work with area vendors and providers in meeting those needs also. So it's truly a process that's continual. It's never ending and as regulations change, as care levels change, we have to make modifications to address those. [LR82]

DR. JENNIFER KING: I think it kind of goes...your question goes back to Senator Gloor's statement of when are you penny wise, but pound foolish. I think that's a very difficult question to answer. Our newest building here is almost 40 years old. You know, how many of us live in a house that's 40 years old and haven't made, you know, either moved to a newer house or made significant changes. Our body habitats have changes. Our acuity has changed. The lifespan has changed during that time. So I think that's very difficult to address and balance, when does that pendulum, you know, change where, you know, you make the choice to stop investing. You have to either make a

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choice to continue to invest money to improve the facility or build a new facility. And at what point are you better off to build a new facility rather than pour money into an old one. [LR82]

SENATOR AVERY: I have a question that...do we have another question here? Senator Gloor. [LR82]

SENATOR GLOOR: I'll be glad to wait until... [LR82]

SENATOR AVERY: I just want to ask a question of Mr. Willford about your budget. Is your budget adequate to your needs? [LR82]

ALEX WILLFORD: Having had experience with both, the private sector and other county governments, I feel that my budget far exceeds those entities. The staffing patterns that we utilize here are typically at or above any of those organizations. Our ability to care for members is at or above many of those organizations. I can refer to our state deficiency statements for either VA or the state licensure. We have been in compliance with all those and we have fewer deficiencies than other organizations of a relative size. If you would care to ever look at the private sector, a large facility of this nature typically has 20 to 30 deficiencies by that facility. If you look at our deficiency statement, we were significantly below that standard. We have very few deficiencies related to our skilled facility. We have very few deficiencies related to our assisted living component. And I feel that we do a very good job in maintaining ourselves budgetarywise to meet those needs of our members. [LR82]

SENATOR AVERY: What would you say if you had to identify the weakest link or the weakest part of your program, what would you say that would be? [LR82]

ALEX WILLFORD: You know, I think the weakest link that we run into is that the regulations continually change and the ability to stay abreast of the education

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requirements and to keep our staff educated with either new medications, new regulations, and all those components, make it very difficult. Things change very quickly. New procedures and new technologies are always out there. And in order for us to stay current, we have to continually look at how we expend those dollars and to meet those challenges that are set forth. [LR82]

SENATOR AVERY: If we were to say to you, we have \$5 million that we are willing to commit to this facility, where would you spend it? [LR82]

ALEX WILLFORD: The components that I look at, first I would spend with my staff to make sure that they have the knowledge and the skills to care for the members we have. And to make them as current with either the clinical or critical thinking processes that are required of the nursing, dietary, and the professional components of our facility. Second, I would look at the records component. We have a system that continually changes. Some of the future modifications related to a clinical record. There's areas that we would need to look at at that process. Also I would look at the delivery systems that we have related to components of either communication and/or the pharmacy components. Those both are changing very quickly. There's new legislation out there that allows different entities to interact, and we can do much more with those processes either clinically and/or informationwise to better the care that we provide. [LR82]

SENATOR AVERY: Would it then be fair for me to conclude, based on your response to that question, that you're highest needs are personnel and program and not facility? [LR82]

ALEX WILLFORD: All three of those components are together. Physical plant components take much longer to modify and address. I think Senator Gloor said the process for his hospital took six years. A lot of the regulations and components that I need to address on a day-to-day basis are truly internal. They are with people, they are with process, they are with regulation. And so those are some of the major challenges

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that I have. Physical plant, those are always there and they will always be there, and you have the ability to modify operations. Sometimes that's additional people. Sometimes that additional communications to overcome some of the deficits that are there. Again, you know, it is a three-cornerstone, so to speak. And each one has a flat spot and that's what you have to address operationally to keep it going. [LR82]

SENATOR AVERY: I want to return just a minute to the budget. Do you have federal funds, say, matching money to the amount that you get from the state? Do you have any federal money in your operating budget? [LR82]

ALEX WILLFORD: We have Veterans Administration Funds. And John, you can probably speak to that much more clearer than I. And with that, those federal funds are either provided through their contributions that members make with Social Security. It may be contributions that they make through the veterans pensions that they have, and then also we have veterans administration dollars that we receive. [LR82]

SENATOR AVERY: So a member then would, if they have a VA pension or retirement money from their branch of service and Social Security, they would use that to help pay for the amount of care they require, up to \$3,000 a month? [LR82]

ALEX WILLFORD: As John indicated, the maintenance fee, correct, Senator. [LR82]

SENATOR AVERY: Yeah. Is that your basic maintenance fee, \$3,000? [LR82]

ALEX WILLFORD: That is the maximum. [LR82]

SENATOR AVERY: That's the maximum and that would be the most acute care? [LR82]

JOHN HILGERT: We can get that for you. The maintenance charge that we have...and

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we certainly can do the research. You know, this stuff, the numbers actually change on a daily basis. Every individual's position is different but there's nowhere close to the majority of members that pay the maximum maintenance charge. It is a minority of members pays the maximum maintenance charge. The services here are heavily subsidized by the state of Nebraska. It was...and we can get you the actual dollars but our budget is basically put upon by General Funds, cash funds that we get through the maintenance charge, and federal funds. The federal funds come largely through per diem that we get for skilled nursing and for assisted living or domiciliary, actually. That...those cash funds that we get from the members, the per diem that we get from the VA probably makes up overall, and every home is a little different as well, is probably a little bit, oh, about 50 percent of what our budget is made up of. So state General Funds make up a huge part of what we do here in Nebraska. Other states, and we have studied this of late, I've looked on other state's Web sites and have had staff look into this, will actually ask the veteran how much can you pay and that is not for purposes of assessing a sliding scale fee, it's the purposes of determining admission. If you can afford it, you can come to this state facility as a veteran and be served. That is totally foreign to our history and what we are about here in Nebraska. But actually, in some states that are like that. There are some states that have no General Funds that go into the homes. They're Medicare, Medicaid certified homes and they have high costs. Maine, for example, has little to no General Funds going into their homes. But in Nebraska we've made the policy decision or you have made the policy decision and all those who came before us to say, we're here to help veterans, and we're not here to operate a break even, you know, business, if you will, but happens to serve a certain constituency. We see these homes as service. [LR82]

SENATOR AVERY: But the member is required to...or given the opportunity to pay what they're able to pay toward that (inaudible). [LR82]

JOHN HILGERT: Yes, with the maximum of approximately \$3,000. And that shifts every year based on the cost of living. [LR82]

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SENATOR AVERY: Thank you. Senator Gloor. [LR82]

SENATOR GLOOR: I'd like to ask Mr. Hilgert a follow-up question to yours, if I could, and then ask Dr. King if I could ask those two questions, Mr. Chairman. [LR82]

SENATOR AVERY: Would you take the microphone? [LR82]

SENATOR GLOOR: Senator Hilgert, I want to make sure I understand the math on some of these figures. We replaced the Omaha home for just under \$30 million. We're talking about \$6 million in heating and air conditioning replacement here. We've just replaced a few year ago, dietary, renovated dietary at \$4.4 million. So we're talking about \$10 million that we put in to just two components of this facility, a third of the cost of a full replacement facility in Omaha. How much of that \$10.4 million is actual state money versus federal dollars you made available? Or is it all state money, of that \$10 million? [LR82]

JOHN HILGERT: Dietary, I believe, was a federally matched program, 65-35 percent. The proposal for the HVAC, I believe, is all state. However, the replacement of the Omaha/Bellevue, Omaha (inaudible) Bellevue facility... [LR82]

SENATOR GLOOR: It was all state money. [LR82]

JOHN HILGERT: ...it was...the matching funds was all state money, was all General Funds and it was all out of the Capitol Construction Project. It was an appropriation by the Legislature. The fund that we're using and DAS can answer anything more but our funds that come from a couple different sources. They come from our rent, our reserve and replacement that we get. We have a line item that we turn over every year that helps fund this 309 committee which many of you are familiar with. So it's not an appropriation asked for, requested to the Legislature for \$6 million for the HVAC, it's the

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normal reserve and replacement. Other aspects that we've been able to use at Grand Island, all four of our homes, come out of our maintenance budget. We have certain dollars set aside and allocated for maintenance issues. So they're basically...some of these renovations are accumulated operating expense type line items, so they're not specifically requested Capitol Construction funds. That may not be relevant. A dollar taken out of a taxpayers pocket is a dollar taken out of a taxpayers... [LR82]

SENATOR GLOOR: It all comes out of the same bucket. [LR82]

JOHN HILGERT: ...but it is relevant on how I can operate. I can ask and say, DAS, can you take a look at some, an issue? And they will say, sure. They'll come on over, they have their engineers, they have their architects, they have their assessments. They look around, they figure out the best way to do a great service for us. We try to run a long-term care facility. We're not those type of experts and they will figure out the best way to address a certain deficiency. They will do so with funds that we and all facilities pay into. So it's a different approach. Yes, it's a dollar out of a taxpayers pocket but how I engage them, I can engage them right now and we do, as you know. Whereas, a request is something that goes to the Legislature and is more time consuming, etcetera. DAS is responsive. [LR82]

SENATOR GLOOR: Dr. King, I'd like you to...visit with you just briefly about life safety issues. I think it's called healthcare. And by the way, you did an admirable job responding to the Chairman's question about resources available for your patients and clients. In our previous lives for the committee's edifications, Dr. King and I had those conversations and she's not timid when it comes in asking for resources for her patients. (Laughter) I can speak to it firsthand. You talked about the challenges with life span (inaudible). So my question would be to life safety. Surely, as we walk in these facilities there are drills that have to be done. How do you handle evacuation of a patient in oversized wheelchairs or in a Clinitron bed with small doorways and small elevators, stairwells, and all that, when you're practicing for tornadoes and fires...I mean, that

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surely there has to some challenges with that? [LR82]

DR. JENNIFER KING: Well, you just turned St. Francis from a one level facility to a multilevel facility, so I'm sure you know the answer to that question. But, you know, that's everybody's worst case scenario. We meet all safety codes. We have our fire walls. We do our drills. Is that my worst nightmare? Absolutely. And, you know, pray that it never happens. But we do do drills and we do successfully on those. But it would be challenging on a single level facility to do an evacuation in an emergency. Add multi-source, of course, that's more challenging. I think in the World War and Phillips buildings, which are where we would have residents residing on upper stories and about 50 percent of them are nonambulatory and would need assist with evacuation, we do have ramps we can utilize in the administration building to get people down. But, you know, you have to utilize lifts. You have to have, you know, the staff to do that. You have to be able to do the transfers. You know, thankfully, with fire walls and things like that I think the chance of us having to do a massive evacuation is very slim, but we do rehearse for those instances. [LR82]

SENATOR GLOOR: Thank you. [LR82]

ALEX WILLFORD: Senator Gloor, if I could also add to that, we do have a fully sprinkled building, so we do have the components and abilities to also extinguish fires if those would ever take place. The other component, as you toured today, we have also transferred members that we feel that would be most difficult to relocate to other components of our organization. The Anderson Building, those members that were afflicted with Alzheimers or other dementias are now on a flat level. Also when we have members that we are looking at related to higher acuity, our third World War and third Phillips are our lightest care wings, and they are at the top level. Second World War and second Phillips are the lower level. So we've tried to make accommodations for those worst case scenarios operationally so that we can still be compliant and evacuate as quickly as possible when we need to. Hopefully, we never need to, so. [LR82]

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SENATOR AVERY: Senator Pahls, do you have a question? [LR82]

SENATOR PAHLS: Yes, I do have a couple questions. Are you...do you feel like you're an arm of the government? [LR82]

DR. JENNIFER KING: Oh, I hope not. (Laughter) I think we have a cooperative relationship. You know, I...there's still a great deal of confusion, you know, even in this community where the Veterans' Home is a beloved organization. I still have people ask me on a daily basis, how are things going at the VA? And I always have to clarify, no, it's the Veterans' Home. I'm a state employee. But I utilize the federal government every day. I mean, I have a very close working relationship with the Department of Veterans Affairs. Many of our members have private resources, private insurance, private dollars, Medicare, and choose to utilize local medical resources, but many of them utilize the VA exclusively or pick and choose, use local for some and the VA for others. We work very closely. [LR82]

SENATOR PAHLS: Well, the reason I'm asking that question because since we're looking at major health reforms, I mean, I keep having...by listening to the audience as I hear them saying that government cannot run anything efficiently. So, but you're telling me basically, you consider yourself not government at all then? (Laughter) [LR82]

DR. JENNIFER KING: I think John wants to answer. (Laughter) [LR82]

JOHN HILGERT: No, I think that...you know what, I think Dr. King is right. There's a lot of confusion between state and federal government. We do consider ourselves, obviously, state employees and part of state government. I think that you're helping us run efficiently. I think when you passed LB296, and I said this over and over again, you have given a great gift to these four veterans homes. When you broke out Health and Human Services into its six divisions and, you know, speaking only from my perspective

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and then what I can glean from my colleagues on the third floor in Lincoln and Kerry Winterer, our CEO, you are allowed us to focus on our constituency and our fetter for veterans homes. When we look at a practice, we say, how does this affect our four veterans homes in light of federal VA regulations. We don't have to say, well, if we buy this, can we also use it somewhere else, somewhere else, somewhere else, in six other locations that have nothing to do with long-term care and veterans in the United States Department of Veterans Affairs. So you helped us become more efficient through LB296. We are going to be more efficient as we proceed. We are building a division and we're changing a culture and we've gone a long way. [LR82]

SENATOR PAHLS: Okay. And now we get back to one of the savings. You say your ratings are higher than the private area? Would I...did I interpret that correctly? [LR82]

JOHN HILGERT: Yes. [LR82]

SENATOR PAHLS: So you are rated higher than Senator Gloor when he was....(Laughter) A couple of other things I'm a little curious about. Let's say that I would qualify to come to this facility. Would I say I do not want to because it's not as "new"? You're telling me we do need new...a building or buildings to make your life more effective? Is that what I'm hearing you're saying? [LR82]

DR. JENNIFER KING: Well, as Senator Hilgert said, I think you have to look at...I mean, you examined our rooms today and, you know, maybe you've been to private nursing homes that have all private rooms and private bath. I mean if you had to choose between a facility with private room and private bath and a facility where you have a shared room and a shared bath and they were equal, all things considered, which would you choose? You know, when we have people choosing between, you know, eastern Nebraska Veterans' Home and this facility, it's very hard to compare apples to apples. You know I think we provide the best care in the state, but it's hard to compete with a new facility. And until you actually get people in here and I think maybe there's some

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people here that will attest to this today, until you get your family member or your loved one here and you see the level of care, they don't know when they walk through the door the kind of nursing care they're going to get. They don't know the kind of physician they're going to get. They see the walls, they see the furniture, they see the physical surroundings. And, you know, until they really get to know the place, and so, yes, I absolutely think people take those surface things into consideration when they're choosing a facility. [LR82]

JOHN HILGERT: Dr. King said that it's better to have private rooms and I think that's indisputable. Modern VA regulations for the state grants program will pay for single rooms. I'll also observe, we don't have single rooms anywhere else. The eastern Nebraska Veterans' Home was just opened in 2007 and doesn't have single rooms because that was not the standard in 2002 or 2003 when we made that application. They paid for semiprivate rooms. Norfolk built in 2001 has less than semiprivate rooms. I mean, they have...it's a progression. There's always a state of the art, and does the state of the art always make life...sure, or else it wouldn't be state of the art. It wouldn't be progress. But is the Grand Island Veterans' Home...I think it's competitive. I think that there's aspects of this facility that they don't have in Omaha, or in Bellevue. We don't have a wood shop in Bellevue. We don't have the type of work therapy that we have here in Grand Island. We don't have the lagoon that we have. (Laugh) Now, Lonnie Stark built a lagoon in western Nebraska to compete, you know, so maybe there's a lagoon gap here. (Laughter) But every facility is different. I think the acuity in eastern is maybe a little bit higher overall than anywhere else. I think people come a little bit older and more sick. I think that you have more home healthcare opportunities in the Omaha metro area than you do elsewhere. I think people come to us from Nebraska a little bit healthier and they see it as, you know, more of a residential. So I think there's aspects to all four of our homes. And I would add that we just changed the Norfolk Veterans' Home and established a secure care unit that had not been there before. And we greatly expanded that because we had issues about elopements. We had three elopements in two years. That's unacceptable. Three elopements in two years. So we

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made a 30-bed secure care unit. So now we now longer have to maintain parameter surveillance of 52 exits. Check out that design. And, but we learn from that. One of the first things our architects did when looking at the replacement of Thomas Fitzgerald was to go to Norfolk to learn. And you learn as you go along. So every one of our homes, you know, could have improvements, if you will. There's always a state of the art and it's always shifting. The state of the art, if we were to have a hearing next year, would be different than what we're telling you today. [LR82]

SENATOR PAHLS: Just a couple more. Earlier you said that staff would be your priority if you had the \$5 million to work with, not the building. Did I interpret that correctly? [LR82]

ALEX WILLFORD: What I was referring to is education of my staff. There are critical thinking pathway educations and assessments that can be done with our nursing staff, with our CNA's that would help them to better address the needs of the members. And that's something I could do today without having to make major modifications in the time lines that physical plant changes require. [LR82]

SENATOR PAHLS: You have a big turnover of staff? I'm just curious. [LR82]

ALEX WILLFORD: We are working very diligently to always reduce our turnover. We've put in place some processes to improve the time lines that it takes for an individual to be...for them to be hired, for them to be placed on the floor. We also have the opportunity and unfortunate opportunity, the recession has provided us with many applicants, where approximately a year and a half ago those applicants were not there because of the economy. As a result, we have filled many of our positions. We have maybe only one full-time CNA position and five part-time positions available. A lot of that is contributed to the very good nursing leadership that we have in this facility. A lot of it is also a result of the recession and so some of those components we continually look at. We are working with Central Community College now to have a nurse education

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program here. We are also working with them both for their RN and LPN as well as their CNA programs. So we're developing some partnerships that we didn't have before to make it better. [LR82]

JOHN HILGERT: And Alex, I'm going to...Alex probably won't say this, but I'll say it. Grand Island has the lowest turnover in our system regarding nursing assistants and medication aides leaving our employment. So Grand Island is...has the lowest turnover right now than any of our four homes. So that goes to Alex's leadership team. [LR82]

SENATOR PAHLS: And part of that could be, because his first answer was let's take a look at the staff. I think that's sets a tone of what's going on here. [LR82]

JOHN HILGERT : Exactly right. [LR82]

SENATOR PAHLS: Here's another question I have. I was born and raised right across Red Cloud, Nebraska, in Kansas. And this was many years ago and I could remember some of the...because I really respected some of the veterans. They're just neat people at my age as a young kid watching what they were doing in life because a number of them had suffered unbelievable atrocities. But they would say they would come to the Grand Island, the place here in Grand Island. We're they eligible or were they pulling a fast one? I'm doing that with you. [LR82]

JOHN HILGERT: If you lived here two years at any point in your life, you're eligible. [LR82]

SENATOR PAHLS: But they were from Kansas. [LR82]

JOHN HILGERT: Well, had they lived in Nebraska for two years at any point in their life? [LR82]

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SENATOR PAHLS: I was just curious. (Laughter) [LR82]

DR. JENNIFER KING: I frequently have members admit from Colorado, from California, that's...you know, Arizona, wherever they've...you know, and they may have lived there the last 30 years but they lived here for two years when they were children making them eligible and they may not have been eligible in other veterans systems or they may have family in the area that they wish to return to. But I have a lot of people admit from all over the country that haven't lived in Nebraska in decades. So they probably weren't pulling a fast one. (Laughter) [LR82]

SENATOR PAHLS: No, they were good guys. (Laughter) Thank you. [LR82]

SENATOR AVERY: Thank you, Senator Pahls. We have a question from Senator Karpisek. [LR82]

SENATOR KARPISEK: Thank you, Senator Avery. First, I want to make sure that we're not sending out a message that things are bad here. We're talking about some new building and things, but going on our tour today things looked very nice. You can tell it's old, but it's very well upkept. Run down would be one of the last words I would bring up, so I want to congratulate you and thank you on that and make sure that that's not the image that we're projecting on that. Now, as far as if we were to build a new facility, how many beds would we look at? You talked about demographics a little bit. But, I mean, would...do you think we would shoot for 300, 400, because of baby boomers, all that, what do you think? [LR82]

JOHN HILGERT: I think the response, the intelligent response to that lends itself beyond a simple hearing and some testimony. I think that there need to be some demographic studies. When you first saw the maximum occupancy of the Nebraska Grand Island Veterans' Home, it was 464, I believe, is the historical high. Since then we've opened up three other homes. And this was the only show in town, this was it for

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Nebraska. That being said, I think there's going to be a lot of things that impact it. I think our national debate regarding how we pay for healthcare is going to impact it. I think the availability of nurses, of CNAs, and med aides, of all those healthcare providers that are in short supply will impact the size of the facility. So it's not only the need, it's the availability and it's also our staff that will impact and give you that answer. I certainly, as...you know, I'll switch hats and be the director of Nebraska Department of Veterans Affairs. I want to maintain...I'll do everything I can in my job to maintain the service that we have here. Grand Island has been a wonderful community. I hope it will always be a wonderful community of which to call as location for one of our Nebraska Veterans' Homes. [LR82]

SENATOR KARPISEK: The other thing, Senator, would be, we're at 266 now, could be 377. If we had a huge recession thing, if we had a big glut, could we open more beds up and get to 300 or higher, if we had to? [LR82]

JOHN HILGERT: No, is the short answer based on current regulation. [LR82]

SENATOR KARPISEK: Okay. [LR82]

JOHN HILGERT: You know, and if you talk about a cataclysm event whereby, you know, we have another depression, something like that, then, you know, you may want to have a hearing with, you know, regulation licensure to figure that one out. And not only, you know, is the physical plant not able to have 377 under current regulations, I would never ask Willford and his leadership team and Dr. King to serve more than they can. We can't serve more than we're staffed for and it's not fair to our veterans, and it's certainly not fair to put that on the staff. [LR82]

SENATOR KARPISEK: Thank you. Thank you, Senator Avery. [LR82]

SENATOR AVERY: I think Senator Scott has another question. [LR82]

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SENATOR PRICE: Yes, well, more of a statement. I don't need think that. I think I can broadcast without a mike. I wanted to make sure that we're perfectly clear and we're staying on point here. This is not about, and as Senator Karpisek said, your ability to provide care. You are providing care. You always provide care and that's the end, you know, that's the end of the story. The question is, the cost to the state to maintain the facilities, that's what we're looking at. It costs the state more if we keep having to pump money in here to upgrade to meet new regulatory needs and that's where the real discussion is. It's not about the care, and so much so in a spectrum of needs. It isn't about, am I looking at pink tile or pastel walls. It's about how much does it costs and how much of your budget is being eaten up on maintenance costs when you could be delivering capability to your patients. Am I on the mark with that? [LR82]

DR. JENNIFER KING: Correct. [LR82]

SENATOR PRICE: Thank you. [LR82]

SENATOR AVERY: No more questions? I want to thank all of the three of you for your testimony for helping us. [LR82]

DR. JENNIFER KING: Thank you. [LR82]

SENATOR AVERY: And I would now invite anyone from the audience who would like to address this issue. [LR82]

TONJA BROADWELL: (Exhibit 3) I apologize for all my coughing. Hopefully, I can make it through this without coughing. [LR82]

SENATOR AVERY: It's all right. Just state your name and... [LR82]

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TONJA BROADWELL: My name is Tonja Broadwell, T-o-n-j-a B-r-o-a-d-w-e-l-l. I'm the board chair for the Grand Island Area Chamber of Commerce. I just have a prepared statement to read on behalf of the Chamber of Commerce. The Grand Island Area Chamber of Commerce is supportive of the study proposed by Senator Gloor. In addition, the Chamber sees mutual benefit for the Home's location in Grand Island. Please consider these three points: Second to the service, the Grand Island Veterans' Home provides to those who have served our country, the 400 employment opportunities provided to our area is a tremendous benefit. Having a local community college with educational offerings to help meet the demand for needed skilled care workers is advantageous to not only the Grand Island Veterans' Home, but the other healthcare organizations in our area as well. Our veterans deserve the best we can give them and we are proud to have the opportunity to do just that. Third point, the Home is active in our community and the community is active with the Home. For instance, the Home has been the site of the Get Hooked on Fishing not Drugs and Alcohol event, which is a fishing derby that unites our youth and veterans. And, the Grand Island Senior High band marches from the high school to the Home on Veterans Day in honor and recognition of the veterans. Activities like these enhance our area's quality of life, as much for the veterans as for anyone else. With that, I thank you on behalf of the Grand Island Area Chamber of Commerce for the opportunity to participate in this hearing. [LR82]

SENATOR AVERY: Thank you, Ms. Broadwell. Any questions or comments from the panel? [LR82]

TONJA BROADWELL: You mentioned that you would like copies? [LR82]

SENATOR AVERY: If you do have them. [LR82]

TONJA BROADWELL: I do. [LR82]

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SENATOR AVERY: Yes, please. [LR82]

TONJA BROADWELL: Just leave them here? [LR82]

SENATOR AVERY: No, give them to the clerk. Thank you for your testimony. Anyone else? [LR82]

REGINA SCHUTTE: I am Regina Schutte, R-e-g-i-n-a S-c-h-u-t-t-e. I'm here on behalf of the wood shop. If and when there is a new building, I strongly urge that it will include a wood shop, ceramics, whatever. My husband, when he came in to this building could no longer speak well and he speaks little at all now. He could not move himself. He has primary lateral sclerosis and he's had it for 25 years. But his mind is still good and he can still...he just finished four weeks in the hospital in August but by the first week in September he was back in the wood shop and he has finished a project but has begun...well, is nearly ready to finish another. This book is full of, not all, but most of the projects he has completed in the six years he's been here. That wood shop is his life. Without that wood shop he just wouldn't have survived. I don't have pictures of all the things he did because friends would come along and another one would fly out the door. So I didn't get pictures, but we have a family of eight children and sixteen grandchildren and he has not run out of people to create things for. When he turned 75, our children wanted to honor the wood shop and gave \$400 towards some new tools. Last year our son in Lincoln found a tree that was going to be cut down, then took the tree, they sawed it up in six-foot segments. He took it to a mill, had it sawed according to how Larry would like to use it, and then it was delivered out here to the wood shop. Most of that wood is now gone and so he's got to look for another tree. (Laughter) But we strongly believe in the wood shop. It has given my husband and their dad so much joy and I would hope that even though he's 77 and will probably never see a new building, but I would hope that the wood shop will be included. Thank you. [LR82]

SENATOR AVERY: Thank you. Anyone else wish to address the committee? [LR82]

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JOHN LIEBSACK: Thank you, Senator Avery for having this session. My name is John Liebsack, J-o-h-n L-i-e-b-s-a-c-k. I'm the adjutant quarter master for the Veterans of Foreign Wars. I'm also a member of the Veterans Home Board. Our organization, the VFW, has 23,500 members all of which are eligible for the Veterans Home. We also have an auxiliary of approximately 14,000 members and they, as spouses, are eligible for the Veterans Home also. We have members in the VFW as young as 21, so we have people that we can supply via your clients. We will be around for a long time. We have at our last convention in June passed a resolution asking for a new veterans home. And we, as a member of the Nebraska Veterans Council, the seven recognized organizations in Nebraska have also passed a resolution also asking for a new veterans home. Those are my comments. Thank you. [LR82]

SENATOR AVERY: Thank you, Mr. Liebsack, correct right? Leek, Lip....no. [LR82]

JOHN LIEBSACK: Either way. [LR82]

SENATOR AVERY: Would you mind staying just for a minute. [LR82]

JOHN LIEBSACK: Okay. [LR82]

SENATOR AVERY: It's Liebsack. Are you saying that this entire facility needs to be replaced or added on to with a new addition? You said you wanted a new home. [LR82]

JOHN LIEBSACK: A new veterans home here in Grand Island, yes. [LR82]

SENATOR AVERY: So you would actually be replacing this current facility? [LR82]

JOHN LIEBSACK: Yes. I was on the committee when we looked at and replaced the home in Omaha and moved it to Bellevue. The projects that were outlined for the

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Omaha home actually were going to be more money than replacing that home. And that's what I feel is going to eventually happen here that it becomes, like you said, pound foolish. [LR82]

SENATOR AVERY: I was impressed with that facility that goes back to probably 1870, where the Civil War veterans were housed. That's quite a piece of history there. [LR82]

JOHN LIEBSACK: And it would make a nice museum. (Laughter) [LR82]

SENATOR AVERY: Well put. (Laughter) Well put. Thank you. [LR82]

JOHN LIEBSACK: Thank you. [LR82]

SENATOR AVERY: Anyone else? Okay. We'll get to you next, sir. [LR82]

SUSAN SNOW: I am a member of Grand Island Veterans' Home. My name is Susan Snow, S-u-s-a-n S-n-o-w. There is a few things that I'd like to address the committee and I'm glad you guys are here. A bigger PT because there are times where there is a lot of room...there needs to be there because there's times where there's too many people and they're going in there for physical therapy. And I'm one of them, and they're getting more equipment in so they need to have more room. On the OT area I'd like to see a good occupational therapy, the ceramics. I, myself, have a lot of family that I can do things for. I can sell them. I take pride in my work at the occupational therapy. And it gets me out of my room so that I can socialize with other members, and I don't...that I just don't isolate. I see bigger bathrooms because I am one of the veterans that need to be helped in the bathroom. And it's hard for the nurses to get and use the lifts for even some of the other members that are...that can't, that aren't ambulatory. Okay. Better lighting. The lighting in the rooms are very poor. It's hard for me myself to see what I'm doing because I knit and I crochet. I like to read but the lighting is so poor I can't even read a book. And I'd like to see wider doors. As you can see, I'm a bigger person and I

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have a bigger wheelchair and it's hard for me to get in and out of some of these doors that are not wide enough. And, you know, as well as I do, that for the HIPA reason, for the privacy of the veterans, that if there's some things that I need to talk about that I can't get into one of these doors without having to get up out of my wheelchair and walk in there. That's all. [LR82]

SENATOR AVERY: Is that the end of your testimony? [LR82]

SUSAN SNOW: Yeah. [LR82]

SENATOR AVERY: Let me ask you one question. How many people do you think are in the same situation you are? [LR82]

SUSAN SNOW: I don't know the percentage at this point. [LR82]

SENATOR AVERY: But you're not the only one. [LR82]

SUSAN SNOW: I'm not the only one. [LR82]

SENATOR AVERY: And you do utilize physical therapy and occupational therapy facilities and service on a regular basis? [LR82]

SUSAN SNOW: Yeah, Monday, Wednesdays and Friday I go in there on those days and do occupational therapy. And I work every day at physical therapy. [LR82]

SENATOR AVERY: And do you believe that if the occupational therapy facility was expanded there would be more use of it? [LR82]

SUSAN SNOW: Yes. [LR82]

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SENATOR AVERY: Thank you. [LR82]

SENATOR KARPISEK: Thank you, Senator Avery. Another question I was going to ask before and you made me remember, the female ratio at the Home. Is there a lot of other females here? [LR82]

SUSAN SNOW: There is seven of us, seven females there. [LR82]

SENATOR KARPISEK: And are you comfortable with that? Is it hard for you to be only with seven? [LR82]

SUSAN SNOW: It sometimes it gets a little uncomfortable, but I tend to try to fit in with the rest of the guys. [LR82]

SENATOR KARPISEK: And you tolerate the guys? (Laughter) [LR82]

SUSAN SNOW: Yes. [LR82]

SENATOR KARPISEK: And are there more females here that aren't veterans, but...? [LR82]

SUSAN SNOW: There are, there are spouses, yes. [LR82]

SENATOR KARPISEK: Spouses. I was just going to bring that up when I talked before about a new facility because I'm sure that we're going to have more and more females coming as this goes on, more and more women in the service. So I think that's something that needs to be thought about too because I'm sure, maybe when a lot of these were built, they didn't anticipate having many females here and if so, they would be spouses. So I'm glad that you put up with the guys. (Laughter) I know the ladies here put up with us too. So thank you for your testimony. [LR82]

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SUSAN SNOW: Thank you. [LR82]

SENATOR AVERY: Sir, I think you wanted to speak. [LR82]

BILLY CULLER: Well, to be all honest with you I'm not here to discuss the new whatever you guys have got going right here on a complaint. [LR82]

SENATOR AVERY: About the Veterans' Home? [LR82]

BILLY CULLER: Yes and no. (Laughter) But you can't ask me questions until I get signed in or whatever it is (inaudible... [LR82]

SENATOR AVERY: Well, we have a specific agenda. If you don't mind waiting until we finish that agenda, I'll get to you then. [LR82]

BILLY CULLER: Thank you. [LR82]

SENATOR AVERY: We have another testifier. [LR82]

JEFF MILLER: Good afternoon. My name is Jeff Miller, J-e-f-f M-i-l-l-e-r, from Omaha, Nebraska. I'm representing the State Department of VFW. I'm the chairman of the Legislative Affairs Committee and I'm also representing the state of Nebraska Student Veterans Organization of America. I'm the Nebraska state director and I am supporting the issue. I don't...I have a prepared statement. I'm going to fix it and I'll send it in to all your legislative aides. So I'll speak from the cuff. Everything has been spoken about today that would support and make a home, a logical sense, here in central Nebraska. First and foremost the economic impact it would have here in central Nebraska. It makes good sense. Right now the state is throwing us...Senator Sullivan said, good money after bad. Eventually, that plain of good money going out against bad, those

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lines are going to intersect and I believe that intersection is probably going to happen here in a few years. As you all took your tour this morning, I've been through this facility several times. It's a well-cared for, high-class facility. There is no question here that the people that work here from the top on down take care of their property, physical property. Obviously, the people that work here are the biggest, are the biggest piece of this portion, but the physical property is in wonderful, wonderful shape, regardless of when it was built. But we do have a problem as Ms. Snow just testified that we've got a problem with the bigger wheelchairs, the bigger beds, the hospital beds, I remember from 60 years ago and...the pictures of 60 years ago. Trust me, I'm not 60. (Laughter) So if I was I wouldn't be here, I'd be a different guy, but the beds are getting larger. Everything is getting larger. More equipment and the standard care was used to get put in a room, a nurse would come and check on you. Now with the healthcare changes, we have machines. We have technology to do that. The way the Veterans' Home is set up now is not conducive to that. Everything back in the day was built long and flat, lots of room, long and flat, long hallways. You saw how it takes veterans from...it takes a while to get from one side to the other. Now things are being built usually shorter, condensed, and on the way up. So as a proponent of the Veterans' Home, the Student Veterans Organization of America is 213 chapters in the United States, one of which I'm a cofounder at Bellevue University. Our student veteran ratio mix is about 40 years old. That's about the average censorship of a veteran for us that is either in college or returning to college. Those veterans are going eventually need care. We have veterans right now from Iraq and Afghanistan that are in veterans home across the United States. It's just the conditions that there are. The final statement that I want to say that Director John Hilgert mentioned was the relationship that he has harnessed along with his administration with the federal VA. I would put Nebraska's relationship with the VA against anybody...any other state in the union as one of the best in the country. We've got clear, open, transparent communication. There are...even though it's government, we've got very few structures and barriers that interfere with that and right now the opportunity with 3565, but the federal match, I think the opportunity and the resources here that Senator Gloor can work on that would happen where you can get utility

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facilities, you can get donations from the community. The Chamber of Commerce is obviously behind this. So in closing, I just wanted to reiterate that the Department of VFW state level supports this. We've got close to 26,000 members. They're all eligible for the homes and the Student Veterans Organization of America was just over 26,000. Eventually, they're going to back up the American Legion, the VFW, these younger veterans coming forward. We've got to look down the pipe. We're also very sensitive to the financial situation that the state is in. We're very aware of that. We understand that, but moving forward, we feel the committee will make the best decision. And the veterans, especially the younger veterans of Nebraska stand behind you and we're willing to help. [LR82]

SENATOR AVERY: Thank you. I wonder if you would show us your cap there? [LR82]

JEFF MILLER: Sure. Since I was representing two groups I didn't wear my cap, but this is a VFW cap that most of the veterans wear. You've got various pins that I've acquired. A lot of these pins went with me overseas to the Middle East and then the red braid specifies that you're a state officer and the state legislative chairman, which really means nothing. The fact that I did... (Laughter) It really doesn't mean a lot. My boss who testified before me will say it means different but basically I'm the one who gets to knock on all of your doors and talk to all your LAs. So if you haven't met me before, you're going to here very, very soon, so. [LR82]

SENATOR AVERY: Thank you. [LR82]

JEFF MILLER: You're welcome. [LR82]

SENATOR AVERY: Senator Scott, you have question? [LR82]

SENATOR PRICE: Thank you, Senator Avery. Jeff, thank you very much for coming forward and for what you're doing and taking an active role as a young person to come

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back and backfill the ranks of those who are currently in leadership positions in these organizations. But you did bring forth...I'm making a statement here you could characterize it, but it's something I want to stick to the tape and that is, one of the infrastructure questions we have that you eluded to isn't just, can I get a patient in and out of the room, but the equipment that accompanies a patient when we're putting these different and particularly more intensely cared for patient, there are power requirements, there are data requirements and those types of things. I don't know that this infrastructure has the ability and to retrofit it to put in, you know, cable pulls and data pulls. We don't have wireless in here at all. So those are some of the concerns that we hadn't really seen addressed, in that accompanying equipment that goes with each resident and as they go around to them. The State Fire Marshal won't let you just put in any type of outlet at any point in time in a facility like this. However, I run across that a lot in other committee hearings. So I appreciate you bringing that forward. I just want to make that...if you want to characterize it, feel free, otherwise... [LR82]

JEFF MILLER: I think back, if you've got an outhouse and you run plumbing to it, it's still an outhouse. (Laughter) And I'm not saying that this Grand Island Home is an outhouse, but what I'm saying is that eventually when you come up with the modern technology you can only run so much infrastructure, fiberoptics, cable, power, etcetera. The basic brick and mortar, I don't think very long can sustain that. Eventually we're going run out of problems. You can remodel 28 doorways or you can build a new hallway for half that cost. So, at some point. [LR82]

SENATOR KARPISEK: Thank you, Senator Price. Any other questions for Mr. Miller? Seeing none, thank you. [LR82]

JEFF MILLER: Thank you. [LR82]

SENATOR KARPISEK: Do we have any other testifiers? Welcome. [LR82]

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JESSIE KISER: My name is Jessie Kiser, J-e-s-s-i-e K-i-s-e-r. I represent the American Legion Auxiliary. I have been their representative here for about 25 years and I am very concerned of what's going to happen with all the equipment that the auxiliary has furnished for this place if you build a new one. Is it going to be throwed out? Are we going to have to buy new? Are you going to revitalize what's already here? I just bought a new saw for the wood shop. Are you going to make a cracker box wood shop? I've been to the homes in Norfolk and their canteen and their OT shop are a disgrace as far as I'm concerned. If you're going to do something for our veterans, then by all means make things that they can do like they did in their own homes, wood shop, OT, and the physical therapy has been one great place since it got moved up from the basement. I know Susan said that it's crowded, but when it was in the basement they were only allowed two people at one time down there. So I think we have gotten way beyond that. When I first started volunteering here, there were 400 members. We are now down to 200 because of all the regulations and stuff. But the facilities and the programs have not changed. They've gotten better. And I would hate to see all these lost if you build a new facility. [LR82]

SENATOR KARPISEK: Thank you, Ms. Kiser. Do you have any that... [LR82]

JESSIE KISER: I was just going to give you a little list of the things that the American Legion Auxiliary has done for this place. [LR82]

SENATOR KARPISEK: Please. [LR82]

JESSIE KISER: We have donated two buses, the chapel when it was built. We have also bought lots of furniture and PT equipment and we've done for the Liberty Cafe, and that's just a fraction of what money we have put into this place. So I would hate to see it be downgraded and destroyed, so. And you were talking about a catastrophe in the facility was prepared for such a thing. I saw what happened when the tornado went through here in 1980, and I would hope that that never happens again because that was

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no way to treat our veterans. And I thank you for all that you do do for our veterans.
[LR82]

SENATOR KARPISEK: Thank you. Do we have any questions, comments? I would just say that I'm sure that, point well taken and that the Home would work with the auxiliary to make a plan, but I know what you're saying. Sometimes things don't happen the way we plan them to, do they? [LR82]

JESSIE KISER: No, and it's a shame they don't. [LR82]

SENATOR KARPISEK: Yep. But we do appreciate everything that the auxiliary does and we understand, we know about those things and thank you, and hope to work together in the future. I'm sure that there will be other plans that go along with, if we do build a new building, what will...I'm sure some of the things will be moved out of the old, old buildings into the not so old buildings. So I'm sure that they would take all the good stuff that they can, especially the way things are with money right now. [LR82]

JESSIE KISER: Thank you. [LR82]

SENATOR KARPISEK: Thank you. [LR82]

SENATOR AVERY: Anyone else wish to address the issue of the Veterans' Home? Come on down, sir. Billy, I'll get you. [LR82]

BILLY CULLER: I'm working with you. [LR82]

SENATOR AVERY: Okay. [LR82]

JOSE TREJO: Good afternoon, Senators. [LR82]

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SENATOR AVERY: State your name and... [LR82]

JOSE TREJO: My name is Jose Trejo, J-o-s-e T-r-e-j-o. Now what I want to say is I remember coming home. I'm a Viet Nam veteran. People weren't very nice to us when we come home. There were no ticker tape parades or anybody welcoming us to...welcomed us this home with a smile. You know, but I was in the nursing home in Omaha. I didn't like it very much. And like I was saying, it does take time to get in here. It took me four months to get into this facility. You know I was kind of anxious to move here. I really am planning on going back to Omaha. I have been at that facility. As a matter of fact, I used to guard the place. So I was there when no one was there. And it has its little flaws when it first started. I mean the electricity wasn't working. I'd have alarms go off. My explanation was that it was ghosts. It's not too far from the cemetery. Anyway, to make a long story short is that, I want to in appreciation, I just want to express my appreciation for coming to this facility and I got welcomed here with open arms. Now a lady told me upstairs, why don't you go down and represent the veterans. I said, well, that sounds like a good idea. Not that I consider myself a very good representative but I'm here. What I want to say is I want to thank all of you for taking the time out to come and visit us and take an interest in this project. And, you know, we put our life on the line at one time and I want to thank you for taking the interest in this project, this upcoming project. And I think it's time. You know, we've come home...and I'm glad to be back on American soil, by the way. I used to see the American flag flying on American soil. But what I want to say, you know, I hope this thing goes through, you know, that we get a new building. You know, we gave some to the country. I'm not saying that the country owes us something back, but what I'm trying to say we would sure appreciate it, me and the rest of the veterans if this was to go through. And like I said, the nursing staff here is just wonderful. I'd put them up against anybody in the United States. That's how good they are. And, you know, it would be nice for them to have a nice place to work at. And I wouldn't mind seeing bigger doors. I keep getting hung up on the restroom door coming out. (Laughter) An accordion doors is exactly what that is. I feel like the little guy trying to get out of an accordion, it keeps popping

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back all the time. And the lighting also, and I also...yeah, they were talking about the wood shop, the (inaudible) come down here. But you know I like the ceramics shop and it does a lot for me. It keeps my mind occupied and it makes me feel like I'm worth something, you know. Nothing like a big businessman or anything like that, but it gives me a sense of self worth. And I was asked to make a red frog. I've never seen a red frog, but I said well, this is Nebraska. Where else would a red frog come from? (Laughter) And anyway I thought I...after the game last night, I thought I saw my frog with a big smile on his face. (Laughter) So anyway, I'm glad I'm here, you know, and right now I'm in the middle of a decision whether to move back to Omaha. Right now it's kind of leaning to staying here and it sure would be nice to have something new to, you know, go into. And besides that, I think the veterans deserved it. And I believe this region here deserves, you know, something new. I think they do. Omaha has already got theirs, so. It's big but it's nothing compared to this. It's all one floor, but it's still big. I know I walked it, so...anyway, I just want to thank each and every one of you for being here and on behalf of the veterans, I want to thank you for your interest. I really do. Thank you. [LR82]

SENATOR AVERY: Thank you, sir. I may assure you, you were there when we needed you, we'll be here when you need us. [LR82]

JOSE TREJO: Thank you. I appreciate it. On behalf of all the veterans, thank you. [LR82]

SENATOR AVERY: Thank you. Anyone else? Billy. [LR82]

BILLY CULLER: Well, I have finally reached the gold. (Laughter) [LR82]

SENATOR AVERY: Have a seat. [LR82]

BILLY CULLER: Thank you, sir. Do you need this or later? First of all I'd like to say all

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management is listing hard to what I'm about to say. My name is Billy, B-i-l-l-y C-u-l-l-e-r, and it's pronounced like color crayon. It's easy. My first name is Billy, like Billy Hill, billy club, Billy the Kid, Billy Sunday. It's not a hard name to forget. I think I can bellow hard enough. Well, my colleagues are still here with me. Well, first of all, my little committee wrote a letter to you. We have not heard anything and, of course, I know you have 10,000 people but it would have been nice if you could have dropped a letter or your secretary to help us. Would you like to read it, sir? [LR82]

SENATOR AVERY: Would you address the Senator by name. [LR82]

BILLY CULLER: Sir, I'm sorry. This is my first time. [LR82]

SENATOR AVERY: That's okay. [LR82]

BILLY CULLER: Do I get a "lickin" now? [LR82]

SENATOR AVERY: No, later. [LR82]

BILLY CULLER: Come on. (Laughter) I'm sorry...Senator Gloor? [LR82]

SENATOR GLOOR: Yes. [LR82]

BILLY CULLER: Yeah, thank you. Okay, next question. [LR82]

SENATOR AVERY: Well, what is your statement? You want him to see the letter? [LR82]

BILLY CULLER: Yes, sir. Sir, Senator, my two colleagues are, most of them look like they left too. [LR82]

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SENATOR AVERY: Well, why don't you take the microphone and speak into the microphone and tell us what is in the letter and the main point you want to make. [LR82]

BILLY CULLER: You're making my throat dry because I'm screwing up so much. Is it okay if I read it? [LR82]

SENATOR AVERY: Sure. [LR82]

BILLY CULLER: Dear Senator Gloor: We are members of the Grand Island Veterans' Home and we are quite disappointed in the work therapy agreement. We would appreciate if you could look at this and evaluate it. The new work therapy policy that was recently introduced has been approved by the administration but not by us members. It is making us angry, sad, uncooperative and frustrated and feel some of our rights have been taken away from us for no reason at all. The changes make us feel like we are not part of the work force here. Being recommended to go from work to maintenance to craft/ceramic/wood workshop making us feel like we are demoted. We are not being allowed to use the golf carts anymore. In the service we were allowed to drive military vehicles but are not allowed to drive golf carts and now we carry our tools to do our work. We feel we have not been given an answer on why we cannot drive the golf cart. We have been cut down in hours, allowed to work from 40 to work to 25. The remaining 15 hours we are encouraged to work in crafts, ceramics, wood shop, and do other recreation activities. They are letting us work for 25 hours with pay and not using power tools on their agreement. But we are allowed to use these in 15 hours in the wood shop in occupation therapy without pay. We also have asked if we can use power tools and the maintenance supervisor who is an expert and have denied. In the new rules it says that some of us are in hazardous work areas and this is a liability. In addition, some of us are not allowed to run lawn mowers any more. We did for the past 14 years without any accidents. Work therapy has been in the Grand Island Veterans' Home for over 100 years and we feel it is trying to be phased out now. We don't understand why the changes. We are growing up...we are grown up. We have our own

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responsibility and feel things are going well. We feel that the Home is not using us in the best of our ability nor are they taking advantageous of us by allowing us to do this. We also feel that management is using scare tactics by saying if we are able to work 40 hours a week we are able to discharge to live on the outside. Working 40 hours at the Home is not the same as working 40 hours in a normal job. Besides this, we have other problems than physical issues. The work we do is therapeutic and doing work on the outside is not therapeutic. We are able to take a day off without any problems. On the outside if we'd take a day off we'd lose your job. Our group understands that it was the Legislature that brought out the rules and management interpreted it very loosely. The rules they quoted to us pertained to mechanical issues of the work place. Please look into this matter. We have been through war but are not being allowed to use power tools, lawn mowers and ladders because of reasons we are not told. [LR82]

SENATOR AVERY: Let me clarify something. You are a member here, right? [LR82]

BILLY CULLER: Yes, sir. [LR82]

SENATOR AVERY: And this is work therapy you're talking about? [LR82]

BILLY CULLER: Yes, sir. [LR82]

SENATOR AVERY: Okay. I just wanted to make sure that...I would point out that you have in the audience, Mr. Hilgert, and you have in the audience, Mr. Willford, two people who are in a position to listen to you and help you with your problem. [LR82]

BILLY CULLER: We've been there. [LR82]

SENATOR AVERY: You're at the right place to make your statement. My own personal view is that this is probably not something this committee can resolve for you. [LR82]

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BILLY CULLER: I was told it was, could, would. [LR82]

SENATOR AVERY: Well, we give you a forum and that is valuable. So I do thank you for your comments and I would give Senator Gloor an opportunity to respond, if you don't mind. [LR82]

SENATOR GLOOR: Yes, you did send a letter. I appreciate it. It's my understanding from looking into the subject that you also had interactions and sent letters to a number of other individuals. I wasn't the only contact that you made. I think you have already verified that. I want to apologize for not getting a letter back to you telling you I was in receipt of your letter and that we were looking into it and we have been. We've had a number of meetings. We've asked a number of questions. Talked to the insurance officer of the county. We have talked to representatives from the VA. Senator Dubas and I have had meetings to take a look at this. And we have information on our desk that we will put in form of a letter, if you would like it back to you. But ultimately what that letter will say, is that it's hard for us to weigh in and a second-guess decisions being made, for appropriate medical reasons being made, for appropriate quality and safety reasons, wouldn't want to second-guess the operation of this facility to make that decision. And I'm sorry it's a frustration for you. I'm sure being here has it's own set of frustrations, including being told that you can't do some things you'd like to do but I will get that letter to you. You won't be happy with the response that I get you but I have looked into it. And I'm sorry that I didn't get the letter back to you telling you that I was looking. [LR82]

BILLY CULLER: I'm not through but if you guys want to go home, I guess I'm through. [LR82]

SENATOR AVERY: We have two more interim studies to have discussion on yet. I would simply say that I would trust Senator Gloor and his staff to act appropriately on this and I am sure they will be in contact with you. [LR82]

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BILLY CULLER: Can you give me a time line? [LR82]

SENATOR GLOOR: The end of next week. [LR82]

BILLY CULLER: Thank you. I've been lied to so much that it just upsets me. It just...uh. [LR82]

SENATOR AVERY: Thank you, Mr. Culler. [LR82]

BILLY CULLER: Mr. Culler. [LR82]

SENATOR AVERY: Mr. Culler. Mr. Billy Culler. [LR82]

BILLY CULLER: Thank you, sir. [LR82]

SENATOR AVERY: Anyone else wish to address the Veterans Home interim study? Seeing none, I want to thank those of you who did participate. We will now proceed to LR163. I would note that Senator Price has to get back to Omaha for a prior engagement and he will not be here for the fun that is to follow. (Laughter) I will turn the Chair over to Senator Karpisek so that I can take the microphone and introduce this resolution. [LR82]

SENATOR AVERY: For the record, my name is Bill Avery, spelled B-i-l-l A-v-e-r-y, Billy. (Laughter) I'm here in my capacity as a Senator from District 28 to introduce LR163. The purpose of this resolution is to launch an interim study to examine a series of issues that fall under the jurisdiction of the Nebraska Accountability and Disclosure Commission. And this includes financing of campaigns, including independent committees, role of lobbyists, and ethics in political system. I would point out that the Accountability and Disclosure Commission and the laws that are associated with it have

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been in existence now for, I believe, greater than, more than 30 years. And we have never taken a comprehensive systematic look at those laws and how the Commission operates. So it is time to do that. The Government Committee ranked this interim study number one on our lists of priorities. As you remember, this past session we had a spirited discussion on the legislative floor regarding the Campaign Financial Limitation Act and campaign for finance. It became clear in that discussion that there was a great deal of dissatisfaction with some of the existing laws, or at least an imperfect understanding of those laws and how they work. And I thought, and as apparently you did too, that we ought to look into these. We have over the course of the interim conducted a series of meetings with various stakeholders in these issues. So far three meetings have taken place and there is an additional meeting scheduled that will deal with the enforcement authority of the Commission and conflicts of interest. That's scheduled for late October. In July the...a meeting was held that dealt with lobbyists issues such as gift limits and the electronic filing of lobbyists reports. The lobbyist support for electronic filing. There was some support too for changing the gift limits. Some lobbyists felt the gift limit should be increased to \$100. Others felt the limit should only be raised for specific gifts such as memorial flowers and plaques in honor of elected officials. It's hard to get those for \$50 or less. And we will include in the interim study report the various options that were discussed then. In August a discussion was had about independent committees and expenditures. We recognize that there is very little we can do because of First Amendment limitations and First Amendment protections for independent committees and independent expenditures. We did, however, discuss in great detail proposing greater disclaimers on those independent expenditures. We'll have some recommendations on that and possibly some legislation to propose next year. The meeting in September discussed various topics including revolving door legislation, prohibiting fund raisers during the legislative session and the use of campaign funds to make donations to charities. No decisions were made. We just had a general discussion of those topics. After the final meeting of the stakeholders in October, we will have, of course, a report and some suggestions for possible legislation. With that I will end and answer any questions that you might have. [LR163]

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SENATOR KARPISEK: Thank you, Senator Very. Any questions for Senator Very?
Senator Sullivan. [Luau]

SENATOR SULLIVAN: Thank you, Senator Karpisek. And Senator Avery, we always hold up as the stumbling block or barrier to getting something done with independent expenditures as the First Amendment. But we also know that in many situations we can work around some of these barriers. Has your committee just discussed at all, is there any way to, quite frankly, work around the First Amendment? [LR163]

SENATOR AVERY: We talked about that and the...we were stymied by the same kind of limitations, I think, that everybody else faces and that is, the Supreme Court has made it very clear that independent expenditures are protected speech. So we know that the Supreme Court has said, you may not limit independent expenditures, or one way to put it, is third-party expenditures. But they have not said that we cannot require more information, more disclosure, and disclaimers from those independent expenditures. Let's say for example that an independent committee composes or a direct mail piece that attacks you in your reelection. We can require that independent committee to specify on that mailing whether or not they are a Nebraska organization or whether or not most of their money comes from out of state. We can require them to disclose who their supporters are. There are all kinds of things we can do that can at least give the voters more information about who is financing this. Who is behind this attack because they almost always are attacks. And, of course, whatever we do with disclaimers would apply to everyone even if you get an independent expenditure that supports you and defends you against an unfair attack, and that does happen, then you also would...they would also have to disclaim and disclose. [LR163]

SENATOR SULLIVAN: Thank you. [LR163]

SENATOR AVERY: You know I really think this is about the only thing that we can do

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under the current restraints. But that would be an improvement. [LR163]

SENATOR SULLIVAN: That would be a lot and the bottom line indicating whether or not...or that the mailing piece has not been done with the knowledge of the candidate. [LR163]

SENATOR AVERY: Yeah, that's a good point. [LR163]

SENATOR KARPISEK: Any other questions or comments for Senator Avery. Seeing none, thank you Senator. [LR163]

SENATOR AVERY: Thank you, Mr. Karpisek. Anyone else who wants to speak on LR163? Mr. Daly. Welcome. [LR163]

FRANK DALEY: Well, thank you Senator. Senators, my name is Frank Daley, D-a-l-e-y. I serve as the executive director of the Accountability and Disclosure Commission. And I know the hour is late and the afternoon has been long so I'll be very, very brief. First of all, I appreciate the study the committee has engaged in. It seems to me every 30 years or so we ought to have a discussion about how we're doing, and I think that's been kind of the nature of the discussion. We've appreciated the work of the committee staff and the committee intern. That's all been very useful in doing some research as to what other states do in particular situations. One of the things I think has been very beneficial is that we encouraged our commissioners to participate in the meetings that the committee has had so that our commissioners get a feel for what you're looking at and you get a feel for what some of our commissioners have to work with. So all this, I think, has been very useful. One of the things I do want to emphasize is something that was said by the chair of our Commission, Mr. Steven McCollister. He said that the Commission works very hard to look at the law and carry out what it believes is the intent of the Legislature in drafting and enacting laws. And that continues to be our focus. We do not consider ourselves to be a policymaking entity. We consider ourselves

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to be an administrative and enforcement agency and will continue to work very hard to do that. Other than that, I don't really have anything prepared, so if you have any questions I'd be more than pleased to answer them. I'll take that as none. (Laughter) Thank you very much. [LR163]

SENATOR AVERY: Thank you, Mr. Daley. Anyone else wish to address LR163? Seeing none and the audience is just about gone. (Laughter) I will close the hearing on LR163 and we will proceed now to LR119 and I again am going to turn the microphone over to Senator Karpisek. [LR163]

SENATOR KARPISEK: Thank you, Senator Avery. Whenever you're ready, Senator, on LR119. [LR119]

SENATOR AVERY: For the record, I am Bill Avery, B-i-l-l A-v-e-r-y, District 28. I am here to introduce LR119 that deals with the initiative and referendum process and how petitions are circulated. This is one of the most interesting and often the most controversial issues that this committee deals with. And it's one that actually generates a considerable amount of passion, depending on whether you are involved in the process. Because we have a Unicameral legislative system, it is widely believed that the initiative and referendum process in Nebraska is the second house. Now we can debate that if we want but that is a wide belief. Nebraskans place a considerable amount of importance on the initiative process. It is used quite frequently. It is often subject to lively debate in deciding whether any changes should be made to the process. When changes are made it usually is controversial and a number of changes have been made over the years. Last session Senator Rogert introduced a bill dealing with the initiative and referendums. The Government Committee has not yet advanced the bill but decided instead to do an interim study. The interim study, they said the issues to be examined include determining how best to investigate potential violations of the process. And we regularly hear allegations of violations whenever we have an initiative. Also requiring petition circulators to read the object statement to every potential signor.

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And studying what are appropriate requirements for petition circulators such as residency requirements and whether or not they can be paid and things of that sort. There has been controversy regarding the behavior of paid petitioners, nonpaid petitioners, circulators over the years. The Government Committee has held hearings on these concerns for the past several years. Bills have been introduced to address some of these issues. We passed one, I believe, in 2008 that dealt with paid circulators. That bill was sponsored by Senator DiAnna Schimek and required circulators to be eligible to vote in order to circulate petitions and I believe it also restricted the amount of money...not the amount of money that could be paid to circulate but whether or not you could be paid by signatures, by how many signature you collect. These new provisions are now being challenged in federal court, so we'll see how that goes probably in the near future. It's my understanding there is a proposal which may be presented today, and I know the person here, so I can just about tell you it will be presented, which would eliminate or reduce the number of petition circulators. The process would entail potential signors to go to a Web site to request a signature card from the County Election Commissioners Office. Some good ideas are out there. This may be one of them. I am not ready to pronounce support or opposition at this point but I believe this is something that we do need to discuss and I look forward to hearing from testifiers who will follow me. [LR119]

SENATOR KARPISEK: Thank you, Senator Avery. Any questions? Seeing none, thank you, Senator. Anyone who would like to testify on LR119? Welcome, you've had a long wait. [LR119]

KENT BERNBECK: (Exhibit 1) Yeah, I arrived at 9:00 this morning, bright and early. (Laughter) My name is Kent Bernbeck, B-e-r-n-b-e-c-k, and I'm here today to testify on the interim hearing. And as...is being passed out to you is a couple ideas that I'd like to bring forward. But I guess I'd like to bring these forward in the context, actually most of my actions on this issue are in the context of the 1994 Nebraska Supreme Court decision to double signature requirements. In that rogue 1994 decision, the Nebraska

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Supreme Court literally doubled on the citizens the number of signatures needed to place an issue on the ballot. And since that time there might have been one all-volunteer effort, I believe that might have been the school, the class I school issue who was able to put together an organization not to get the higher signature requirements that's been...that is required. But other than that, I don't believe that there has been an all-volunteer effort since that 1994 decision, so we are dealing with strictly paid campaigns at this point. So the citizens really have been taken out of the issue. The ideas I bring forward, I bring those forward simply because the Legislature nor the citizens have been able to reduce the signature requirement. It would be my best dream to have the Legislature put forth on the ballot an issue to reduce the signature requirements to the pre-'94 decision rightfully to bring those back down to what...so the citizens can be involved in this process. But the Legislature doesn't seem inclined to, and quite frankly, after putting this issue in front of the voters in 1996, they showed a great deal of confusion on it in the first place. That...I take responsibility for that. I'm the one that placed it on the ballot. I should have been able to raise the money to make people aware of the issue. These ideas today come out of a meeting this summer with 15 or 16 petition sponsors, quote, the experts on the citizens side on what they thought should happen next. And the group pretty much agreed that to raise the money to be able to reduce signature requirements back to their pre-'94 level was almost impossible. People simply didn't understand the issue. It could be possibly placed on the ballot but then to have the money necessary to get the word out about it is another question. So the idea came up and it's been talked about quite a bit is internet petitions. I mean, we're in the age of internet everything. The biggest obstacle I can see is to make sure it's a verifiable system and make sure that the system isn't ripe for abuse. Make sure that an opponent or proponent doesn't try to abuse the system by flooding the system with, you know, tens of thousands of bogus, you know, electronic signatures. I think a roomful of very smart people can be gathered in the technical area to look at this. I know that there are ways of eliminating how many hits come in from a certain IP address. I mean, I'm not the expert and I don't profess to be one. My idea is to get this idea out in front of the Legislature, not just this committee, but the entire Legislature,

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because I think most of the Legislature is struggling with this issue of what do we do with large...or I should say, well financed campaigns. We can literally come in, write the check for the X number of dollars to pay the circulators to put on the ballot. I've been there. I've done it. I've also run all-volunteer campaigns. And I know the difficulty it is recruiting volunteers. I mean this is 2009. This isn't, you know, 1983 or 1972. So, I mean, the volunteer status, I think, has changed somewhat. One thing people are seeing, what I'm seeing, is they're being connected to the internet in a huge way. I mean, it's just growing every year. There's a...and I think the idea that once you're connected to the internet, you can feel like you're connected to the issues. And I think as a legislative body, I think you've seen that as you've gotten into using the internet also. So I think it's just a matter of finding the way to make sure it's verifiable, make sure it's not going to be ripe for fraud. And as I said in my letter to all the senators, my idea behind this is real simple. Let's get to the point where we can eliminate the circulator. We don't have to have a circulator pounding the streets to get signatures as long as there are viable methods to collect signatures, whether that be through the internet, through signature cards. I mean, I don't think we've even explored that option of cards being sent out to people. As long as that information is there, as long as there are signatures there, I think that can be verified. In Nebraska, we enjoy the fact that all county clerks verify each and every signature. It's a hugely tedious process, but it's accurate. And if that card comes in, quite frankly on the back of a dog, it really shouldn't matter as long as that county clerk or the election commissioner gets that card and says, okay, Bob Simon did, in fact, sign this card. It's his signature. I'm not saying that they're signature experts but they can see from a card that the information is correct, the signature is close to being correct. It's an option for us. And I think as a legislative body, I think you may have to give up the reins a little bit on trying to control it such as the residency requirement for signature for circulators. The ban on paper signature, which the chairman did note, those issues are going to be under review by the time the legislative body comes into session in January. All the other petition states have ruled that those two laws, the ban on paper signature and the residency requirements for circulators are unconstitutional. The Eighth Circuit is the last one. So whether the Eighth

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Circuit agrees with me or not, it will either go to the Circuit or on to the Supreme Court. So that issue will be decided through the Eighth Circuit. Like I say, I think that the legislative body has to quit being parental when it comes to my rights. And when I say my rights, I don't see a lot of people sitting behind me, okay. But these are my rights and obviously I'm still here, Mr. Chairman. We've known each other for almost 20 years and I'm still here. But I appreciate some discussion. I know these are fairly new ideas. I will be prepared to talk more about this next week, maybe once the body has had a little bit of a chance to discuss it and digest it. I had been keeping the Secretary of State's Office up to, you know, up to speed on it on what the ideas are. But like I say, I do look forward to more discussion on these ideas. [LR119]

SENATOR AVERY: Thank you. It is good to see you again. [LR119]

KENT BERNBECK: You too, Bill. [LR119]

SENATOR AVERY: And we will be doing this again on the 16th, am I right? It is the 16th and you're certainly welcome to come and present again. And I appreciate creative thinking and this does present new ideas. We haven't had new ideas in this area in a long time. [LR119]

KENT BERNBECK: It hasn't, no. In fact, I think we've all looked for kind of, you know, those silver bullets out there. I don't know if this is a silver bullet, but I think it might be the start down this road of allowing citizens to exercise this right without the Legislature feeling so parental over these rights and, you know, let the people vote on these things. And maybe we can get to the point where we can get rid of these terrible circulators, which I have been one. I've circulated in every county in the state, but if I can do it a different way I would certainly like to. [LR119]

SENATOR AVERY: Any comments or questions? Senator Sullivan. [LR119]

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SENATOR SULLIVAN: Thank you, Senator Avery. Do you have any idea this is being done in other states? [LR119]

KENT BERNBECK: As far as I know, it's not. I think the idea has come up a number of time finding a verifiable system. And once again, I think that can be left up to the technical experts. I do think that there's ways of doing it. I don't know why it hasn't been done in other states. Maybe because people might think it's too easy, maybe that's it. I don't know. [LR119]

SENATOR AVERY: Senator Karpisek. [LR119]

SENATOR KARPISEK: Thank you, Senator Avery. Yeah, thank you for thinking outside the box. I struggle with this a lot. There was at least two issues that I would have loved to have had the voters get ahold of, but with a little fancy dancing in the Legislature, we didn't have enough time to get one of them out because there just wasn't enough time to do it. I guess I do feel a little bit parental because, boy, I have really gotten chewed on by constituents about circulators. And I've seen the haphazard way that they have conducted themselves at times. So I do worry about that. I do worry about the money, the big money coming in from out-of-state that has nothing to do with us other than they're...I don't know why they even want to do these things, but they do. I don't get it. So I definitely know what you're talking about because I have been frustrated that way. But I think we need to be careful too so just not just any Joe Blow with a billion dollars can come in and buy an election. [LR119]

KENT BERNBECK: Right. I think that's why we need to look, like say, outside the box a little bit. Because for example, if you couldn't just come into Nebraska and write a check for the signature collection and you actually did have to promote it out there through advertisement, billboard, flyers in the parking lot, whatever, but if people could go home then and make that decision in the privacy of their home after they can sit there and read it and look at it and decipher it, I think it's a better system. I think it does take that

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direct consequence of the money. It does, maybe, take it out there a little bit so I think that we need to be able to look at it. But at the same time, you know, I hope I'm wrong but I've seen the Legislature of the last 15 years not want to give new avenues to create this process...I mean, or to have this process be done easier. [LR119]

SENATOR KARPISEK: The other problem that I see with the whole system is back to the last interim study is the accountability and the misinformation that is "spewn" by everyone. And that's what worries me about, yeah, if everybody would go home in the privacy of their own home and read the bill. Number one, if they would understand it because I'll tell you, I probably wouldn't. But you see it on TV. I mean, this healthcare thing and, I mean, it's both sides. Who knows what to even believes, so... [LR119]

KENT BERNBECK: If that would be a petition, that would be tough. I mean, how could you possibly get your arms around it. [LR119]

SENATOR KARPISEK: Yeah. Right. So, I mean, and that's I guess why I agree with you that the Legislature feels parental and I feel that way just because of those reasons. Just because...well, we've all been through some, most of us anyway, some kind of not fund campaigns and the lies that are "spewn" are nowhere near the truth but if you have enough money you get it out there and people believe you. So thank you again. It is a tough issue, but we talk a lot about the second...the people being the second house and I agree we need to put our money where our mouth is there and... [LR119]

KENT BERNBECK: Well, I think we better. I mean, you know, this right was taken away from the citizens by a Supreme Court decision not through the voters willingly giving up these rights, so. [LR119]

SENATOR KARPISEK: Giving up right. All right. Well, thank you. [LR119]

KENT BERNBECK: Thank you. [LR119]

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SENATOR AVERY: Thank you, Mr. Bernbeck. Mr. Schumacher, do you want to address the committee? [LR119]

PAUL SCHUMACHER: (Exhibit 2) For a minute or so, Senator. Thank you very much. My name is Paul Schumacher, S-c-h-u-m-a-c-h-e-r. I'm an attorney from Columbus, a little bit more about me on the small print on the third page of that thing. I was going to make a one page handout but having gone through law school you just can't stop with one. So...and that's a basic kind of, from my perspective view, some of the petition process and some of the issues that have evolved since I have been involved in it for about the last 20 years. I think it's reasonably fair to say that probably as much as anybody else, I've been involved and have a pretty good handle on the mechanics of the process at least as it existed up until the recent legislation on it. We've seen a sorry state of affairs of all of the petition process. The increase in signature needed gave way to, you just about had to do a paid campaign with having huge numbers of...numbers needed, having to get them from various counties. You needed a fairly sophisticated command and control structure to know where you needed circulators, to know how many votes you had, or signatures you had from that one before you moved on to another area, to make sure the petitions were coming in and not riding around in the back seat of somebody's car, it became a fairly complex undertaking. We got pretty good at it. I opposed the 1996 drive, but in 2002 and 2004 we got really good at it. And if you go back through the literature, the news reports and things at that time, very, very few even allegations of any misconduct during that time and we basically paid a dollar a signature. And basically, in 2002 all the money was from, in Nebraska, 80 percent of it in 2008 in the gaming petitions that we were involved in. And so this is a big out-of-state stuff didn't really happen until 2006 when we had the thing on the tax...or the spending limit. That was some out-of-state money there. Bill Boyd, and a local lobbyist that we all love and cherish, and a guy from Mississippi were the ones, basically the only people involved in that thing. And then we saw the phenomenon that really got bad and that is the introduction of money on the other side. I mean, it used to be you go pay a dollar a

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signature, we used local people in all those cases, at least that I was involved in, and you'd get the thing packaged up, hopefully get enough signatures, take it to the Secretary of State, and then have a typical lawsuit where you get sued for doing whatever you didn't do or, you know, legal technicalities on undefined issues. And then you go to the ballot and you'd win or lose. I mean, that's the way it worked. This mess then created...I suspect if you have the right to pay somebody to go ask somebody for a signature, the other side has got a right to pay somebody to block and scream that, hey, it's unfair, don't listen to what he's saying, he's misleading you. So it's a mess and it's a mess at this point that's probably damaged what has at least been thought for a long time is a pretty reasonable and serious right of the Nebraska people. I think the suggestion of internet signatures is a good one. And I think it goes a long way to resolving the issue. As part of a little bit of a test and also part of a sincere belief, in 2008 I and a couple other people decided to propose an initiative petition that would allow our public power companies to offer telecommunication services. You guys in the Legislature and gals in the Legislature know about how much that would go on the floor. The Legislature, I mean, the powerful phone company lobbyists, you know, get you from both sides. So we tried a petition drive. We tried to it completely volunteer. I mean, the idealistic way. It wasn't a hot button issue like the school thing was or the antigay thing or the other ones where you get people's blood boiling. You know, we just tried to do it...we got 10,000 signatures, cost us less than \$10,000, not less than \$1,000. And, but you lost control of it. You didn't know how many petition you had. People say, give me petitions. You didn't know if they got them signed, if they're riding around in the back of the car. We had a couple calls come in saying, hey, somebody left them on the counter at the U-Stop and Go gas shop and they're not being supervised, and it doesn't work, folks. But in one of my lives I started an internet company back in the mid-1990's and it's still going, knock on wood. It might go a few more years before the phone and cable companies knock us out. But I can tell you that at least with an equal degree of certainty on the signature side, as the present process has, as the look and see if you can identify a signature by some clerk in a register of deeds office, we can pretty much say that you can verify signatures over the internet. In that public power drive we tried, we

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asked the Secretary of State, can at least, pretty please, we print out, put the petition form on the internet and have them print it, sign it, and then, of course, hope they find a notary to take it to because that notary step is a hard step in the existing law. And can we at least do that? Can they print off so we don't have to mail out these forms? And John Gale told us, no, you can't. And the reason why he said we couldn't have it printed out from the internet, and somebody sign it and take it to a notary and send it in, was because our existing statute requires that the petition come from a camera ready copy. Print shops don't even use camera ready copies anymore. But our law requires they be printed on a camera ready copy. The other difficulty we had is, it says, you have to put it in there and circulate it and not circulate it by a volunteer in big red letters. Well, people with color printers didn't know how they were going to do that. Go over it with a crayon or something, I suppose, in red. But this is a good way to do it. It eliminates the real hassle that you have as a proponent and as an opponent of sending people out in the streets, to bother people as they're going in or out of stores, and whether or not they read the thing. I mean, this is so much cleaner, folks. It puts it in a context where you say to people, look, go to this Web page, at the Web page read all you want, the pro or con, click on this link or that link, whatever, if you like the idea then go through this procedure to sign. Without a doubt...and I talked to, not only from my background with the internet but I did hit up somebody from Nebraska Online at a meeting a couple of years ago when this idea began to brew. Could it be done? And they said, yeah, it can be done, it's just a political question, was the answer. And that's what it is. It is a political question. But, you know, the Secretary of State, for example, has a whole, very nice database about you as a voter from your voter identification number through your name, your address, your birthday, your dada-da-da. And it's reasonably good. It's a whole lot better than it was any four or five years ago, but it's good now. You can go through a quiz before you're allowed to say, yes, I sign it. A whole lot better than hitting somebody out on the street. We file tax returns electronically. That involves money. We file UCC forms with million dollar liens on property that require money. As lawyers we file papers with the courts over the electronic media. I...the commerce of the world has done with that. So, yes, we can come up, if it's the will of the system, with a system that is

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reasonably, at least as reasonably accurate as the present system. And we want it to be triply accurate and verifiable after they click, yes, I want to sign. Then somehow a postcard gets sent out to them saying, this is to verify that you signed the petition. If you didn't, call the cops. And, you know, it can be done if we want to save the petition system. If I had to today, if you told me under today's rules regarding the no pay by the signature, etcetera, etcetera, conduct a petition drive, I do not know where I would start. I don't think it can be done. And I think that we probably owe it to at least our heritage, and to the nature of the process, to have another way to introduce a law and bring a discussion that may be difficult for the Unicameral to conduct out into the public forum, and that's what the petition process does. And so I've spouted off enough. If you've got any questions, I'm here. If not, have a safe drive home. [LR119]

SENATOR AVERY: Thank you. You do include in your memorandum here, three ways to fix the mess. [LR119]

PAUL SCHUMACHER: Right. [LR119]

SENATOR AVERY: Do you have other ideas on how we could do this, because I'd like...if you do and are willing to prepare a memorandum that would include new ideas, I'd be happy to circulate to the committee. [LR119]

PAUL SCHUMACHER: Okay. Well, the best new idea I have is the number three one there. And that is the internet petition. I think it addresses all the issues. It addresses the controversy of a lot of signatures. I think you can get a lot...I mean, if you can't get whatever, 89,000 clicks to put a statute on the ballot, you know, then you probably aren't going to go anywhere anyway. It addresses the issue of the harassment from both sides of the circulation process. It makes it very efficient, probably less than the cost of that postcard that I just talked about. You know, it costs those county election commissioners quite a lot to go through and hire help to go through and page through that. If we can avoid that cost it will more than pay for that verifying postcard to be sent

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out. It's a doable thing and I'd be happy and I know the internet, the crews that I've worked with for the last 15 years will be happy to put in their ideas. I think an idea, get together with Nebraska Online and some of those folks too, can come out that you will be reasonably confident that will be as secure as what we have now. [LR119]

SENATOR AVERY: May I suggest that you get together with them and with Mr. Bernbeck and maybe come up with a unified proposal? [LR119]

PAUL SCHUMACHER: I think that probably we can. [LR119]

SENATOR AVERY: We'll be talking to Mr. Daley about that too, probably. (Laughter) [LR119]

PAUL SCHUMACHER: Hopefully, it will be so cheap his office won't even need to get involved. No...thank you. [LR119]

SENATOR AVERY: Any questions from the committee? I think everybody is ready to hit the road. [LR119]

PAUL SCHUMACHER: I think you're right, Senator. Thank you very much. Bye. [LR119]

SENATOR AVERY: Yeah, thank you very much. Anyone else wish to address this issue? Seeing none, I declare this hearing ended. Thank you. [LR119]